

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

APPENDIX I: FORM GROUND LEASES

APPENDIX I-1: AIR FORCE LAND

DEPARTMENT OF THE AIR FORCE

LEASE OF PROPERTY

ON ROBINS AIR FORCE BASE, GEORGIA

(West Robins)

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

DEPARTMENT OF THE AIR FORCE LEASE OF PROPERTY ON ROBINS AIR FORCE BASE, GEORGIA

TABLE OF CONTENTS

	<u>PAGE</u>
RECITAL	1
LEASED PREMISES	1
CONDITION 1. TERM AND DELIVERY OF POSSESSION	1
CONDITION 2. EASEMENTS AND RIGHTS-OF-WAY	2
CONDITION 3. CONDITION OF LEASED PREMISES	2
CONDITION 4. RENT	3
CONDITION 5. OPERATING AGREEMENT	4
CONDITION 6. USE OF LEASED PREMISES	4
CONDITION 7. DEFAULT AND TERMINATION	5
CONDITION 8. TAXES	6
CONDITION 9. RESTORATION AND SURRENDER	7
CONDITION 10. ENVIRONMENTAL PROTECTION	810.
ENVIRONMENTAL PROTECTION	8. ENVIRONMENTAL
PROTECTION	8
CONDITION 11. MAINTENANCE OF LEASED PREMISES	14
CONDITION 12. COMPLIANCE WITH APPLICABLE LAWS	15
CONDITION 13. ACCESS AND INSPECTION	17
CONDITION 14. GENERAL INDEMNIFICATION BY LESSEE	17
CONDITION 15. INSURANCE	18
CONDITION 16. SELECTED PROPOSAL	20
CONDITION 17. CONSTRUCTION OF IMPROVEMENTS, INSTALLATIONS AND ALTERATIONS	21
CONDITION 18. UTILITIES AND SERVICES	26
CONDITION 19. OPERATION AND MAINTENANCE OF DEVELOPMENT	27
CONDITION 20. TENANTS AND LEASING	28
CONDITION 21. NOTICES	31
CONDITION 22. ASSIGNMENT, SUBLEASES AND LICENSES	33

Request for Proposals

Solicitation Number F09650-90-R-0207

West Robins Housing Privatization Project, UHHZ 974012

CONDITION 23. LIENS AND MORTGAGES	3323.
LIENS AND MORTGAGES	33. LIENS AND
MORTGAGES	33
CONDITION 24. DISPUTES	36
CONDITION 25. GENERAL PROVISIONS	37
CONDITION 26. SPECIAL PROVISIONS	43
CONDITION 27. RENEWAL OF LEASE	49

Request for Proposals

Solicitation Number F09650-90-R-0207

West Robins Housing Privatization Project, UHHZ 974012

**DEPARTMENT OF THE AIR FORCE
LEASE OF PROPERTY
ON ROBINS AIR FORCE BASE, GEORGIA**

TABLE OF CONTENTS (continued)

CONDITION 28. GOVERNMENT REPRESENTATIVES AND THEIR SUCCESSORS	49
CONDITION 29. AMENDMENTS	50
CONDITION 30. EXHIBITS	50
CONDITION 31. REPORTING TO CONGRESS	50

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

DEPARTMENT OF THE AIR FORCE LEASE OF PROPERTY ON ROBINS AIR FORCE BASE, GEORGIA

THIS LEASE ("Lease") is made as of _____ 1, 199__ between the Secretary of the Air Force ("Government" or "Air Force") and _____, a _____ created under the laws of the State of Georgia, with principal offices at _____ ("Lessee"). The Government and Lessee may be referred to jointly as the "Parties," and each separately may be referred to as a "Party."

Recital

The Secretary of the Air Force under the authority contained in 10 U.S.C.A. § 2878 has determined that the leasing of the Project herein will be advantageous to the United States and in the public interest.

Leased Premises

NOW, THEREFORE, the Secretary of the Air Force, by virtue of the authority conferred by law, for the consideration set out below, hereby leases to the Lessee certain premises consisting of two (2) parcels of land and improvements thereon situated within the boundaries of Robins Air Force Base ("West Robins"), Houston County, Georgia, as more particularly described in Exhibit A hereto (the AWest Robins Exchange Parcel≡) and shown on Exhibit B hereto (collectively, the land shown on Exhibit A and Exhibit B is referred to as the "Leased Premises" or "Premises"), for purposes of design, construction, operation and maintenance of a 670-unit rental housing development primarily for use by military personnel assigned to Robins Air Force Base (ARobins AFB≡) and their dependents as more fully provided elsewhere in this Lease.

THIS LEASE is granted subject to the following conditions:

Conditions

CONDITION 1

TERM, DELIVERY OF POSSESSION AND CONVEYANCE OF EXISTING IMPROVEMENTS

1.1. This Lease shall be for a term of thirty (30) years, beginning on _____, 199__ ("Term Beginning Date"), and ending on _____, 202__ (ATerm Expiration Date≡), unless

21 Dec 98

K-1-5

Appendix K-1

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

sooner terminated in accordance with the provisions of this Lease.

1.2. Possession of the Leased Premises will be delivered on the Term Beginning Date.

1.3. By the execution of this Lease, the Government hereby conveys to the Lessee Possession fee simple title to any and all improvements presently located on the Leased Premises, except for Linwood Elementary School, the AAFES shoppette and the communications repeater tower, ownership of which shall be retained by the Government (collectively, the AConveyed Improvements≡).

CONDITION 2

EASEMENTS AND RIGHTS-OF-WAY

2.1. This Lease is subject to all outstanding easements and rights-of-way for any purpose with respect to the Leased Premises. The Government shall have the right to grant additional easements and rights-of-way with respect to the Leased Premises. However, any such additional easement or right-of-way shall not be inconsistent with the Lessee's use of the Leased Premises under this Lease. The proposed grant of any new easement or right-of-way shall be coordinated with the Lessee.

2.2. The holders of such easements and rights-of-way (collectively, "Outgrants"), present or future, shall have reasonable rights of ingress and egress over the Leased Premises in order to carry out the purpose of the outgrant. These rights may also be exercised by workers engaged in the construction, installation, maintenance, operation, repair or replacement of facilities located on the Outgrants and by any Federal, State or local official engaged in the official inspection thereof.

CONDITION 3

CONDITION OF LEASED PREMISES

3.1. The Lessee has inspected, knows and accepts the condition and state of repair of the Leased Premises and the Conveyed Improvements. It is understood and agreed that the Leased Premises are leased and the Conveyed Improvements are conveyed in an "AS IS," "WHERE IS" condition without any representation or warranty by the Government concerning their condition and without obligation on the part of the Government to make any alterations, repairs or additions. The Government shall not be liable for any latent or patent defects in the Leased Premises or Conveyed Improvements. The Lessee acknowledges that the Government has made no representation or warranty concerning the condition and state of repair of the Leased Premises or Conveyed Improvements nor any agreement or promise to alter, improve, adapt, or repair them which has not been fully set forth in this Lease.

3.2. A physical condition report ("PCR") of the Leased Premises prepared by the Government and signed by the respective representatives of the Parties is attached hereto as Exhibit AC≡. The PCR sets forth the agreed physical appearance and condition of the Leased Premises and the Conveyed Improvements on the Term Beginning Date as determined from a

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

joint inspection of them by the Parties. If this Lease is terminated as to all or any portion of the Leased Premises for any reason other than a Termination Upon Conveyance in accordance with Condition 7.3.3, a similar PCR of the Leased Premises and the Lessee Improvements then subject to this Lease will be prepared, signed, and attached as Exhibit C-1 within ten (10) days after the expiration or termination of the Lease.

3.3. An environmental condition report ("ECR") (titled "Environmental Baseline Survey") of the Leased Premises, signed by the respective representatives of the Parties, is attached hereto as Exhibit D. The ECR sets forth those environmental conditions and matters on and affecting the Leased Premises on the Term Beginning Date, as determined from the records and analyses reflected therein. If this Lease is terminated as to all or any portion of the Leased Premises for any reason other than a Termination Upon Conveyance in accordance with Condition 7.3.3, a similar ECR of the Leased Premises then subject to this Lease will be prepared, signed, and attached hereto as Exhibit D-1 after the expiration or termination of the Lease. This ECR will document the environmental conditions and matters on and affecting the Leased Premises on the ending date of the Lease as determined from the records and analyses reflected therein.

CONDITION 4

RENT

4.1. The Lessee shall pay to the Government nominal cash rent in the amount of ONE DOLLAR (\$1.00) for the entire lease term, the receipt and sufficiency of which is hereby acknowledged, and provide other good and valuable consideration as hereinafter provided herein.

4.2. The Lessee shall pay to the Government within thirty (30) days after written notice, any sum which may have to be expended after the expiration or termination of this Lease in restoring the Premises to the condition required by Condition 9. Compensation in such case shall be made payable to the Treasurer of the United States and forwarded by the Lessee directly to the Commander, _____, Robins Air Force Base, Georgia _____ ("Commander").

4.3. Notwithstanding anything to the contrary in the Lease, any party (other than the Government) who acquires the Leased Premises and the interests of the Lessee under this Lease pursuant to the exercise of remedies by a mortgagee under a mortgage granted by the Lessee and approved by the Government in accordance with Condition 23 of this Lease, whether such acquisition is the result of foreclosure, deed-in-lieu of foreclosure, sale or otherwise (A Default Purchaser=), shall at the option of the Government, exercisable in its sole and absolute discretion, pay cash rent to the Government on the following terms and conditions:

4.3.1. Amount of Rent. Rent shall be due in an amount equal to the Fair Market Rental Value of the Leased Premises (as that term is defined below in subsection 4.3.1.1), as the same is adjusted at the end of each five (5)-year period during the term of this Lease which remains following the Default Purchaser=s acquisition of the Leased Premises, including any option or extension periods (ARental Adjustment Date=).

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

4.3.1.1. The term, AFair Market Rental Value,≡ means the fair market rental value of the Leased Premises, exclusive of Lessee Improvements, as determined by a Government appraisal performed within ninety (90) days of the proposed acquisition of the Leased Premises by a Default Purchaser or any Rental Adjustment Date, as applicable.

4.3.1.2. The rent payable by the Lessee to the Government following a Rental Adjustment Date shall in no event be less than the rent payable by the Lessee to the Government during the last lease year prior to such Rental Adjustment Date.

4.3.2. Rent Payments. Any rent required to be paid by a Default Purchaser hereunder shall be payable in twelve (12) equal monthly installments on the first (1st) day of each and every calendar month during the remaining term of this Lease, beginning with the first (1st) month in which the Default Purchaser shall assume possession of the Lease Premises. If the Default Purchaser shall assume possession of the Leased Premises on a day other than the first day of a calendar month, the first monthly installment of rent payable by the Default Purchaser shall be prorated accordingly.

4.3.2.1. All rent due from the Default Purchaser shall be paid in lawful money of the United States of America without deduction or offset, prior notice or demand, to the Treasurer of the United States of America and forwarded directly to the Commander.

4.3.2.2. Any amount due from the Default Purchaser to the Government under this Lease which is past due for ten (10) days or more shall bear interest at the rate prescribed by the Secretary of the Treasury for amounts past due to the Federal Government.

CONDITION 5

OPERATING AGREEMENT

5.1. The Operating Agreement attached hereto as Exhibit E sets forth certain procedures and requirements to be followed by the Lessee in operating and maintaining the Project (as that term is defined in Condition 17.1 below). In the event of any amendment of the Operating Agreement, the amended Operating Agreement will be deemed to be substituted for (and incorporated into this Lease under Condition 30) in lieu of the existing one.

5.2. In the event of any inconsistency between any provisions of the Operating Agreement, as it presently exists or may be amended in the future, and any provisions of this Lease, the provisions of this Lease will control.

CONDITION 6

USE OF LEASED PREMISES

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

6.1. The sole purpose for which the Leased Premises and the Lessee Improvements may be used, in the absence of prior written approval of the Government for any other use, is for design, construction, renovation, operation and maintenance of a 670-unit rental housing development primarily and a preferred basis for use by military personnel assigned to Robins AFB and their dependents in accordance with the terms of this Lease, the Solicitation and the Selected Proposal (as both terms are defined below in Condition 16). No portion of the Leased Premises, including any Lessee Improvement, shall be used for a Prohibited Use (as defined in the Solicitation).

CONDITION 7

DEFAULT AND TERMINATION

7.1. Lessee's failure to comply with any provision of this Lease, the Solicitation, the Selected Proposal or the Contract of Sale (as defined in Condition 7.3.3. below), where such failure to comply continues beyond the applicable notice and cure period, if any, and if there is not any specific notice and cure period then for thirty (30) days after delivery of written notice thereof by the Government to the Lessee, shall constitute a default and breach of this Lease by the Lessee. If, however, the time required to return to compliance exceeds the thirty (30) day period, the Lessee shall not be deemed to be in default and breach if the Lessee within such period shall begin the actions necessary to bring it into compliance with the Lease in accordance with a compliance schedule approved by the Government and shall continue to diligently pursue such action.

7.2. No default or breach shall be deemed to have occurred for any period of time during which the Parties are attempting to resolve a dispute, pursuant to the procedures provided for in Condition 23 in relation to the actions or inactions which are the subject of the alleged default or breach. If pursuant to dispute resolution, the default or breach is determined to have occurred, the Lessee's period for cure shall not begin until the day after the final decision on the dispute is issued.

7.3. This Lease may be terminated as provided below in this Condition 7.3.

7.3.1 The Government may terminate this Lease as to all or any part of the Leased Premises in the event of any default and breach of this Lease ("Termination for Default and Breach") by the Lessee at any time after the expiration of the cure period provided for in Condition 7.1 upon written notice of the termination ("Termination Notice for Default and Breach") to the Lessee. The Termination Notice for Default and Breach shall be effective as of a day to be specified therein, which shall be at least five (5) but not more than thirty (30) days after its receipt by the Lessee.

7.3.2. The Lessee (subject to Conditions 9 and 22 below) or the Government may terminate this Lease ("Termination for Extensive Damage or Destruction") in the event of Extensive Damage or Destruction of Improvements (as that term is defined in Condition 15.6.2 below) upon written notice of the termination ("Termination Notice for Extensive Damage or Destruction of Improvements") to the other Party. The Termination Notice for Extensive Damage or Destruction of Improvements shall be effective as of a day to be specified therein, which shall be at least thirty (30) but not more than forty-five (45) days after its receipt by the other Party.

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

7.3.3. This Lease shall automatically terminate and be released as to all or any part of the Leased Premises upon the conveyance of all or any part of the Leased Premises (A Termination Upon Conveyance \equiv) from the Government to the Lessee in accordance with the Contract of Sale by and between the Government, as seller, and the Lessee, as purchaser (the A Contract of Sale \equiv), and the recordation of a deed from the Government to Lessee. In the event of a Termination Upon Conveyance, if requested by the Lessee, the Secretary and the Lessee shall execute a recordable document evidencing termination and release of this Lease with respect to any or all of the Leased Premises, as applicable. Such document shall, at the Lessee's expense, be recorded among the land records of Houston County, Georgia.

CONDITION 8

TAXES

8.1. The Lessee shall pay to the proper authority, when and as the same become due and payable, all taxes, assessments, and similar charges which, at any time during the term of this Lease may be imposed on the Lessee with respect to the Leased Premises. Should Congress consent to taxation of the Government's interest in the Leased Premises, this Lease shall be renegotiated.

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

CONDITION 9

RESTORATION AND SURRENDER

9.1 If at the Term Expiration Date all or any part of the Leased Premises shall not have been conveyed to the Lessee in accordance with the Contract of Sale, or if the Lease shall be terminated for any reason other than a Termination Upon Conveyance, the Lessee shall terminate its operations on that portion of Leased Premises which is still subject to the Lease and vacate and surrender possession of them to the Government.

9.2. In the event this Lease is terminated for default and breach pursuant to Condition 7.3.1, at the option of the Government, the Lessee shall at its sole cost and expense: (i) within one hundred eighty (180) days after the effective date of the Termination Notice for Default and Breach, remove all of the Lessee Improvements and its other property (both real and personal) from the Leased Premises and restore them to the reasonable satisfaction of the Government; or (ii) within thirty (30) days after the effective date of the Termination Notice for Default and Breach, and subject to Congressional authorization, if required, abandon the Lessee Improvements in place and such Lessee Improvements shall become the sole and absolute property of the Government free of any and all liens, encumbrances and claims to or against them by the Lessee or any third party claiming through Lessee. In the case of (i), if the Lessee shall fail, refuse, or neglect to remove the Lessee Improvements and its other property, then the Government may cause the Lessee Improvements and the Lessee's other property to be removed and/or destroyed and the Premises to be restored at the expense of the Lessee, and no claim for damages against the Government, its officers, employees agents or contractors shall be created by or made on account of such removal and/or destruction and restoration work. In the case of (ii), the Lessee shall execute and deliver all documents (in a form reasonably satisfactory to the Secretary), provide all information and take or forbear from taking such action as may be reasonably necessary or appropriate to achieve the conveyance of title to the Lessee Improvements to the Government. The Lessee hereby irrevocably appoints the Secretary as the Lessee's attorney-in-fact to execute and record on its behalf such documents and instruments on behalf of the Lessee as the Secretary, in its sole judgment, shall deem necessary or desirable for the purposes of effectuating the conveyance of title to the Lessee Improvements. Such power shall be coupled with an interest and irrevocable until the expiration or other termination of this Lease; provided that such power shall be exercisable only if the Lessee fails to deliver the required conveyance documents within fifteen (15) days of written notice from the Secretary.

9.3. In the event the Lessee is terminated for extensive damage or destruction pursuant to Condition 7.3.2, at the option of the Government, the Lessee shall at its sole cost and expense: (i) within one hundred eighty (180) days after the effective date of the Termination Notice for Extensive Damage or Destruction of Improvements, remove all of the Lessee Improvements and its other property (both real and personal) from the Leased Premises and restore them to the reasonable satisfaction of the Government; or (ii) within thirty (30) days after the effective date of the Termination Notice for Extensive Damage or Destruction of Improvements, and subject to Congressional authorization, if required, abandon the Lessee Improvements in place and such Lessee Improvements shall become the sole and absolute property of the Government free of any

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

and all liens, encumbrances and claims to or against them by the Lessee or any third party claiming through Lessee. In the case of (i), if the Lessee shall fail, refuse, or neglect to remove the Lessee Improvements and its other property, then the Government may cause the Lessee Improvements and the Lessee's other property to be removed and/or destroyed and the Premises to be restored at the expense of the Lessee, and no claim for damages against the Government, its officers, employees agents or contractors shall be created by or made on account of such removal and/or destruction and restoration work. In the case of (ii), the Lessee shall execute and deliver all documents (in a form reasonably satisfactory to the Secretary), provide all information and take or forbear from taking such action as may be reasonably necessary or appropriate to achieve the conveyance of title to the Lessee Improvements to the Government. The Lessee hereby irrevocably appoints the Secretary as the Lessee's attorney-in-fact to execute and record on its behalf such documents and instruments on behalf of the Lessee as the Secretary, in its sole judgment, shall deem necessary or desirable for the purposes of effectuating the conveyance of title to the Lessee Improvements. Such power shall be coupled with an interest and irrevocable until the expiration or other termination of this Lease; provided that such power shall be exercisable only if the Lessee fails to deliver the required conveyance documents within fifteen (15) days of written notice from the Secretary.

9.4. During the period prior to surrender, all obligations assumed by the Lessee under this Lease shall remain in full force and effect.

CONDITION 10

ENVIRONMENTAL PROTECTION

10.1. The Lessee shall comply with all Federal, State, and local laws, regulations, and standards that are or may become applicable to Lessee's activities on the Leased Premises.

10.2. The Lessee shall be responsible for obtaining at its cost and expense any environmental permits required for its operations under the Lease, independent of any existing permits.

10.3. The Lessee shall indemnify, save, and hold harmless the Government from any claims for damages, response or other costs, expenses, liabilities, fines, or penalties resulting in any way from releases, discharges, emissions, spills, storage, handling, disposal, or any other acts or omissions by the Lessee, its officers, agents, employees, contractors, subcontractors or any sublessees or licensees, or the invitees of any of them, giving rise to Government liability, civil or criminal, or responsibility under Federal, State or local environmental laws. This Condition shall survive the expiration or termination of the Lease, and the Lessee's obligations hereunder shall apply whenever the Government incurs costs or liabilities of the types described in this Condition 10.

10.4. The Government's rights under this Lease specifically include the right for Government officials to inspect the Leased Premises, upon reasonable notice as provided under Condition 13, for compliance with environmental, safety, and occupational health laws, rules, regulations, and standards, whether or not the Government is responsible for enforcing them.

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

Such inspections are without prejudice to the right of duly constituted enforcement officials to make such inspections.

10.5. The Government shall not be responsible for any handling, removal or containment of asbestos or asbestos-containing material (collectively, "ACM"), or to the extent consistent with applicable law, for any liability related thereto. The Lessee shall be responsible for removal and disposal of all ACM in the improvements on the Leased Premises and shall incorporate an asbestos disposal plan in the plans for demolition of the improvements to be submitted to the Commander in accordance with Condition 17 of the Lease. The asbestos disposal plan will identify the proposed disposal site for the asbestos. Removal and disposal of ACM must be carried out in strict compliance with all applicable Federal, State and local laws, rules, regulations, and standards.

10.6. The Lessee recognizes and acknowledges that lead-based paint materials ("LBP") are present on exterior paintable surfaces of facilities within the Leased Premises, including but limited to fascias, trim work, window sills and framing, door framing and trim and decorative wood siding of the Conveyed Improvements.

10.6.1. The Lessee further acknowledges the required disclosure in accordance with the Residential Lead-Based Paint Hazard Reduction Act of 1992, 42 U.S.C.A. § 4852d (Title X) of the presence of any known LBP and/or LBP hazards in target housing constructed prior to 1978 on the Leased Premises and shall sign the Title X Lead-Based Paint Disclosure Statement attached at Exhibit F to this Lease. Target housing means any housing constructed prior to 1978, except housing for the elderly or persons with disabilities (unless any child who is less than six (6) years of age resides or is expected to reside in such housing or any 0-bedroom dwelling.

10.6.2. The Lessee shall be responsible at its cost and expense for removal and disposal of all LBP in the improvements on the Leased Premises. Removal and disposal of LBP must be carried out in strict compliance with all applicable Federal, State and local laws, rules and regulations.

10.7. Notwithstanding any other provision of the Lease (other than Conditions 10.1, 10.3, 10.5, 10.6 and 14.2), the Lessee, as between the Parties, does not assume any liability or responsibility for environmental impacts and damage caused by the Government's use of toxic or hazardous wastes, substances or materials on any portion of Robins AFB, including the Leased Premises, and has no obligation under this Lease to undertake the defense of any claim or action, whether in existence now or brought in the future, alleging environmental impacts and damage solely arising out of the use of or release of any toxic or hazardous wastes, substances, or materials on or from any part of Robins AFB, including the Leased Premises, occurring prior to the Term Beginning Date, or to undertake environmental response, remediation, or cleanup relating to such use or release.

10.7.1. For the purposes of this Condition, "defense" or "environmental response, remediation, or cleanup" include liability and responsibility for the costs of damage, penalties, legal and investigative services relating to such use or release. "Occupancy" or "use"

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

shall mean any activity or presence (including preparation and construction) in or upon the Leased Premises.

10.7.2. This Condition does not relieve the Lessee of any obligation or liability they might have or acquire with regard to third parties or regulatory authorities by operation of law.

10.7.3. This Condition shall survive the expiration or termination of the Lease.

10.8. The Lessee must comply with all applicable Federal, State, and local laws, regulations, and other requirements relating to occupational safety and health, the handling and storage of hazardous materials, and the proper generation, handling, accumulation, treatment, storage, disposal, and transportation of hazardous wastes.

10.9. The Lessee shall strictly comply with the hazardous waste permit requirements under the Resource Conservation and Recovery Act, as amended ("RCRA") or its State equivalent and any other applicable laws, rules, and regulations. The Lessee will not accomplish any treatment, storage or disposal of hazardous waste requiring a permit under RCRA unless the Lessee is in possession of a valid permit issued to it under RCRA. The Lessee shall not treat, store, or dispose of any hazardous waste under, pursuant to, or in reliance upon any permit issued to the Air Force. The Lessee shall be liable for any violations of these requirements by any tenants. The Lessee shall be liable for the cost of proper disposal of any hazardous waste generated by any tenants in the event of failure by the tenants to dispose properly of such wastes.

10.9.1. The Lessee must provide at its own expense such hazardous waste storage facilities, complying with all laws and regulations, as it may need for storage. Government hazardous waste storage facilities will not be available to the Lessee.

10.9.2. Air Force accumulation points for hazardous and other wastes will not be used by the Lessee. Neither will the Lessee permit its hazardous waste to be commingled with hazardous waste of the Air Force.

10.9.3. Any violation of the requirements of this Condition 10.9 shall constitute a material breach of this Lease.

10.10. The Lessee expressly acknowledges that it fully understands that some or all of the response actions to be undertaken with respect to the Robins AFB Installation Restoration Program ("IRP") may impact Lessee's quiet use and enjoyment of the Leased Premises. The Lessee agrees that notwithstanding any other provision of the Lease, the Government assumes no liability to the Lessee or its tenants should implementation of the Robins AFB IRP or other hazardous waste cleanup requirements, whether imposed by law, regulatory agencies, or the Air Force or the Department of Defense, interfere with the Lessee's or its tenants' use of the Leased Premises. The Lessee shall have no claim against the United States or any officer, agent, employee or contractor thereof on account of any such interference, whether due to entry, performance of remedial or removal investigations, or exercise of any right with respect to the Robins AFB IRP or under this Lease or otherwise. However, any monitoring wells, pumping

Request for Proposals

Solicitation Number F09650-90-R-0207

West Robins Housing Privatization Project, UHHZ 974012

wells and treatment facilities on any lands utilized for residential purposes shall be designed and installed on them by the Government to be as inconspicuous as practicable. The Government shall, subject to the availability of appropriations therefor, repair any damage caused by its exercise of the above rights.

10.11. The Lessee agrees to comply with the provisions of any health or safety plan in effect under the Robins AFB IRP or any hazardous substance remediation or response agreement with environmental regulatory authorities during the course of any of the above described response or remedial actions. Any inspection, survey, investigation, or other response or remedial action will, to the extent practicable, be coordinated with representatives designated by the Lessee. The Lessee and any tenants, sublessees, assignees, licensees, or invitees shall have no claim on account of such entries against the United States or any officer, agent, employee, contractor, or subcontractor thereof.

10.12. The Lessee must maintain and make available to the Air Force all records, inspection logs, and manifests that track the generation, handling, storage, treatment and disposal of hazardous waste, as well as all other records required by applicable laws and requirements. The Air Force reserves the right to inspect the facility and Lessee records for compliance with Federal, State, local laws, regulations, and other requirements relating to the generation, handling, storage, treatment and disposal of hazardous waste, as well as to the discharge or release of hazardous substances. Violations will be reported by the Air Force to appropriate regulatory agencies, as required by applicable law. The Lessee will be liable for the payment of any fines and penalties that may accrue as a result of the actions of Lessee.

10.13. The Lessee shall have a completed and approved plan prior to commencement of operations on the Leased Premises for responding to hazardous waste, fuel, and other chemical spills. Such plan shall comply with all applicable requirements and shall be updated from time to time as may be required to comply with changes in site conditions or applicable requirements and shall be approved by all agencies having regulatory jurisdiction over such plan. The plan shall be independent of Air Force spill prevention and response plans. Except for initial fire response and/or spill containment, the Lessee shall not rely on use of Robins AFB personnel or equipment in execution of its plan. The Lessee shall file a copy of the approved plan and approved amendments thereto with the Commander within fifteen (15) days of approval. Should the Government provide any personnel or equipment, whether for initial fire response and/or spill containment or otherwise on request of the Lessee or because the Lessee was not, in the opinion of the Government, conducting timely cleanup actions, the Lessee agrees to reimburse the Government for its costs in accordance with all applicable laws and regulations.

10.14. Prior to the storage, mixing, or application of any pesticide, as that term is defined under the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), the Lessee shall prepare a plan for storage, mixing, and application of pesticides ("Pesticide Management Plan"). The Pesticide Management Plan shall be sufficient to meet all applicable Federal, State, and local pesticide requirements. The Lessee shall store, mix, and apply all pesticides within the Leased Premises only in strict compliance with the Pesticide Management Plan. The pesticides will only be applied by a licensed applicator.

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

10.15. The Lessee shall comply with all requirements of the Federal Water Pollution Control Act (FWPCA), the National Pollutant Discharge Elimination System (NPDES), and any applicable State or local requirements. If the Lessee discharges wastewater to a publicly owned treatment works, the Lessee must submit an application for its discharge ("Pretreatment Permit Application") prior to the Term Beginning Date. The Lessee will be responsible for meeting all applicable wastewater discharge permit standards. The Lessee will not discharge wastewater under the authority of any NPDES permit, pretreatment permit or any other permit issued to Robins AFB. The Lessee or its sublessees shall make no use of any septic tank installed on Robins AFB.

10.16. The Lessee must notify the Commander of Lessee's intent to possess, store, or use any licensed or licensable source or by-product materials, as those terms are defined under the Atomic Energy Act and its implementing regulations; of Lessee's intent to possess, use, or store radium; and of Lessee's intent to possess or use any equipment producing ionizing radiation and subject to specific licensing requirements or other individual regulations, at least sixty (60) days prior to the entry of such materials or equipment upon Robins AFB. Upon notification, the Commander may impose such requirements, including prohibition of possession, use, or storage, as deemed necessary to adequately protect health and the human environment. Thereafter, the Lessee must notify the Commander of the presence of all licensed or licensable source or by-product materials, of the presence of all radium, and of the presence of all equipment producing ionizing radiation and subject to specific licensing requirements or other individual regulation; provided, however, that the Lessee need not make either of the above notifications to the Commander with respect to source and by-product material which is exempt from regulation under the Atomic Energy Act. The Lessee shall not, under any circumstances, use, own, possess or allow the presence of special nuclear material on the Leased Premises.

10.17. The Government and its officers, agents, employees, contractors, and subcontractors shall have the right, upon reasonable notice to the Lessee, to enter upon the Leased Premises for the purposes enumerated below in this Condition. Any investigations and surveys, drilling, testpitting, test soil borings and other activities undertaken pursuant to Condition 10.17.1 on lands utilized for residential purposes shall be conducted in a manner that is as inconspicuous as practicable. Any monitoring wells, pumping wells and treatment facilities required pursuant to Condition 10.17.4 on lands utilized for residential purposes shall be designed and installed to be as inconspicuous as practicable. The Government shall, subject to the availability of appropriations therefor, repair any damage caused by its exercise of these rights.

10.17.1. To conduct investigations and surveys, including, where necessary, drilling, soil and water samplings, testpitting, testing soil borings and other activities related to the Robins AFB IRP;

10.17.2. To inspect field activities of the Government and its contractors and subcontractors in implementing the Robins AFB IRP;

10.17.3. To conduct any test or survey related to the implementation of the Robins AFB IRP or environmental conditions at the Leased Premises or to verify any data submitted to the United States Environmental Protection Agency (EPA) or the Georgia

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

Department of Environmental Quality by the Government relating to such conditions; and

10.17.4. To construct, operate, maintain or undertake any other response or remedial action as required or necessary under the Robins AFB IRP, including, but not limited to, monitoring wells, pumping wells and treatment facilities.

10.18. The Lessee acknowledges receipt under separate cover of the Environmental Baseline Survey ("EBS") for the Leased Premises, dated _____ 199__.

10.19. The Lessee will comply with the Robins AFB Water Conservation Policy as amended annually.

10.20. The Lessee will use all reasonable means available to protect the environment and natural resources and where damage nevertheless occurs arising from Lessee=s activities, the Lessee shall be fully liable for any such damage.

10.21. The Lessee shall not remove or disturb or cause or permit to be removed or disturbed, any historical, archeological, architectural or other cultural artifacts, relics, remains or objects of antiquity. In the event such items are discovered on the Leased Premises, the Lessee shall immediately notify the Commander and protect the site and the material from further disturbance until the Commander gives clearance to proceed.

CONDITION 11

MAINTENANCE OF LEASED PREMISES

11.1. The Lessee, at no expense to the Government, shall at all times protect, preserve, maintain and repair the Leased Premises, including all improvements located thereon, and keep them in good order and condition. The Lessee shall at all times exercise due diligence in protecting the Leased Premises, including the improvements thereon, against damage or destruction by fire and other causes, subject to the applicable provisions of Conditions 10, 15, and 17. The Project shall at all times be maintained in a decent, safe, and sanitary condition and in accordance with the Solicitation and the Lessee=s Operation and Maintenance Plan.

11.1.1. The Lessee shall be responsible for the operation and maintenance of the utility systems owned by it within the Leased Premises, including but not limited to water, gas, TV, electric, sanitary sewer, and storm systems. The Government assumes no responsibility under this Lease for maintenance and operation of utility systems or for utility easements across Government property procured by the Lessee from either local sources or the Government.

11.1.2. The Lessee shall at all times maintain all roads, streets, curbing, sidewalks, parking areas, access drives and appurtenant drainage thereto within the Leased Premises in good condition and keep them free of ice, snow, debris and obstructions of any kind.

11.1.3. The Lessee shall provide the necessary pest-control services to insure that the Leased Premises, including all structures are maintained essentially free of pests, including

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

but not limited to cockroaches, flies, wasps, ants, ticks, fleas, silverfish, centipedes, spiders, and other crawling and flying pests, common rodent pests, such as rats and mice, and wood-destroying pests, such as termites, carpenter ants, and carpenter bees. The Lessee will comply with all applicable Federal, State and local laws, rules and regulations concerning the use of pesticides, fungicides, rodenticides, and insecticides. The Lessee will establish a preventative program against pests and rodents and will take immediate corrective steps upon discovery of insect or rodent infestation.

CONDITION 12

COMPLIANCE WITH APPLICABLE LAWS

12.1. The Lessee shall at all times during the existence of this Lease promptly observe and comply, at its sole cost and expense, with the provisions of all Federal, State, and local laws, rules, regulations, orders, ordinances, and other governmental standards and requirements which may be applicable to the Leased Premises, including the structures thereon, and the improvements to be constructed by the Lessee on them or any part of them, and particularly those provisions concerning the protection of the environment and pollution control and abatement and occupational safety and health, whether the same now are in force, or that may, at any time in the future, be enacted or directed and that are by law then applicable and enforceable against the Leased Premises.

12.2. The Lessee shall comply with all applicable State and local laws, ordinances, and regulations with regard to construction, sanitation, licenses or permits to do business, and all other matters. The Lessee shall be responsible for determining whether it is subject to local building codes or building permit requirements, and for compliance with them to the extent they are applicable.

12.3. The Lessee's use of the Leased Premises, including construction, demolition, and disposal, use, operation, maintenance, repair, and replacement of buildings and facilities shall at a minimum conform to the following and any other applicable local, state and federal codes, standards and regulations:

ICC/COBA Model Energy Code, 1995 or latest revision (as required by 42 US Section 12709)
American National Standard Institute (ANSI) A117.1, Specifications for Making Buildings and Facilities Accessible to and Usable by Physically Handicapped People.
Americans with Disabilities Act (ADA) Accessibility Guidelines of 1990
Fair Housing Act Amendments of 1988 and Fair Housing Act Accessibility Guidelines
ANSI B31.8 and B31.8b, Gas Transmission and Distribution Piping Systems
ANSI C2, National Electrical Safety Code.
HUD 4940.2, Minimum Design Standards for Community Water Supply Systems.

Request for Proposals

Solicitation Number F09650-90-R-0207

West Robins Housing Privatization Project, UHHZ 974012

HUD 4940.3, Minimum Design Standards for Community Sewage systems,
National Building Code (BOCA).
National Fire Protection Association (NFPA) All Applicable Sections
National Electric Code
Occupational Safety and Health Act (OSHA)
One and Two Family Dwelling Code (CABO)
Standard Building Code (SBCC)
Standard Mechanical Code (SBCC) or (ICBO)
Standard Plumbing Code (SBCC) or (ICBO)
Standard Gas Code
Local, State, and Federal Environmental Protection Regulations
Code for the Installation of Heat Producing Appliances.

In the event of conflict between any of the requirements in Condition 12.3, the most stringent shall govern.

12.4. The Lessee will be responsible for and obtain, at its expense, prior to the commencement of construction and demolition, and upon completion of the building of the improvements, any approvals, permits, or licenses including without limitation, the PUDD Zoning Approval (as defined in the Solicitation) which may be necessary to construct, occupy and operate the improvements as a rental housing development in compliance with laws, codes, and regulations applicable to a private project constructed on Robins AFB.

12.5. Nothing in this Lease shall be construed to constitute a waiver of Federal Supremacy or Federal sovereign immunity. Only laws and regulations applicable to the Leased Premises under the Constitution and statutes of the United States are covered by this condition. The United States presently exercises exclusive Federal jurisdiction over the Leased Premises.

12.6. Responsibility for compliance as specified in this Condition 12 rests exclusively with the Lessee. The Air Force assumes no enforcement or supervisory responsibility except with respect to matters committed to its jurisdiction and authority. The Lessee shall be liable for all costs associated with compliance, defense of enforcement actions or suits, payment of fines, penalties, or other sanctions and remedial costs related to Lessee's use and occupation of the Leased Premises.

12.7. The Lessee shall have the right to contest by appropriate proceedings diligently conducted in good faith, without cost or expense to the Government, the validity or application of any law, ordinance, order, rule, regulation or requirement of the nature referred to in this Condition. The Air Force shall not be required to join in or assist the Lessee in any such proceedings.

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

CONDITION 13

ACCESS AND INSPECTION

13.1. Any agency of the United States, its officers, agents, employees, and contractors, may enter upon the Leased Premises, at all times for any purposes not inconsistent with Lessee's quiet use and enjoyment of them under this Lease, including but not limited to the purpose of inspection. The Government normally will enter the Leased Premises during regular business hours and give the Lessee at least twenty-four (24) hours prior notice of its intention to do so, unless it determines the entry is required for safety, environmental, operations, or security purposes. The Lessee shall have no claim on account of any entries against the United States or any officer, agent, employee, or contractor thereof.

CONDITION 14

GENERAL INDEMNIFICATION BY LESSEE

14.1. The Government shall not be responsible for damages to property or injuries or death to persons which may arise from or be attributable or incident to the condition or state or repair of the Leased Premises, or the use and occupation of them, or for damages to the Project of the Lessee, or for damages to the Project or injuries or death to the person of the Lessee's officers, agents, servants, employees, or tenants, or others who may be on the Leased Premises at their invitation or the invitation of any one of them.

14.2. The Lessee agrees to assume all risks of loss or damage to property and injury or death to persons by reason of or incident to the possession and/or use of the Leased Premises, or the activities conducted by the Lessee under this Lease. The Lessee expressly waives all claims against the Government for any such loss, damage, personal injury or death caused by or occurring as a consequence of such possession and/or use of the Leased Premises or the conduct of activities or the performance of responsibilities under this Lease. The Lessee further agrees to the extent permitted by applicable law to indemnify, save, and hold harmless the Government, its officers, agents and employees, from and against all suits, claims, demands or actions, liabilities, judgments, costs and attorneys' fees arising out of, claimed on account of, or in any manner predicated upon personal injury, death or property damage resulting from, related to, caused by or arising out of the possession and/or use of the Leased Premises or any activities conducted or services furnished in connection with or pursuant to this Lease, and all claims for damages by Lessee's tenants against the Government arising out of or related to their tenancy. The agreements contained in the preceding sentence do not extend to claims for damages caused by the gross negligence or willful misconduct of officers, agents or employees of the United States, without contributory fault on the part of any person, firm or corporation. The Government will give the Lessee notice of any claim against it covered by this indemnity as soon after learning of it as practicable.

CONDITION 15

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

INSURANCE

15.1. The Lessee shall in any event and without prejudice to any other rights of the Government bear all risk of loss or damage or destruction to the Leased Premises, including any building(s), improvements, fixtures or other property thereon, arising from any causes whatsoever, with or without fault by the Government.

15.2. During the entire period this Lease shall be in effect, the Lessee, at no expense to the Government, shall carry and maintain:

15.2.1. Property insurance coverage against loss or damage by fire and lightning and against loss or damage or other risks embraced by coverage of the type now known as the broad form of extended coverage (including but not limited to riot and civil commotion, vandalism, and malicious mischief and earthquake if commercially available) in an amount not less than 100% of the full replacement value of the buildings, building improvements, improvements to the land, and personal property on the Leased Premises. Such amount shall be determined from time to time, upon the written request of the Government or the Lessee, but not more frequently than once in any twenty-four (24) consecutive calendar month period (except in the event of substantial changes or alterations to the Leased Premises undertaken by the Lessee as permitted under the provisions of the Lease). The policies of insurance carried in accordance with this Condition shall contain a "Replacement Cost Endorsement."

15.2.2. Comprehensive general liability insurance on an "occurrence basis" (provided such coverage is reasonably obtainable) against claims for "personal injury," including without limitation, bodily injury, death or property damage, occurring upon, in or about the Leased Premises including any buildings thereon and adjoining sidewalks, streets, and passageways, such insurance to afford immediate minimum protection at the time of the Term Beginning Date, and at all times during the term of this Lease, with limits of liability in amounts approved from time to time by the Government, but not less than TEN MILLION DOLLARS (\$10,000,000) in the event of bodily injury and death to any one or more persons in one accident, and not less than THREE MILLION DOLLARS (\$3,000,000) for property damage. Such insurance shall also include coverage against liability for bodily injury or property damage arising out of the acts or omissions by or on behalf of any person or organization, or involving any owned, non-owned, leased or hired automotive equipment in connection with the Lessee's activities. The insurance carried and maintained by the Lessee pursuant to this Condition shall provide coverage to protect the Government from any damage and liability for which the Lessee is liable or responsible or agrees to hold harmless and indemnify the Government under the Lease. Proceeds under all policies of insurance carried and maintained to provide the coverage required by Condition 15.2.2 shall be available only for that purpose.

15.2.3. If and to the extent required by law, workers' compensation and employer's liability or similar insurance in form and amounts required by law.

15.3. During the entire period this Lease shall be in effect, the Lessee shall either carry and maintain the insurance required below at its expense or require any contractor performing work on the Leased Premises to carry and maintain at no expense to the Government:

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

15.3.1. The broad form of extended coverage insurance provided for in Condition 15.2.1 above shall be maintained for the limits specified thereunder and shall provide coverage for the mutual benefit of the Government and the Lessee as additional insureds in connection with any construction or work permitted pursuant to this Lease.

15.3.2. Fire and any other applicable insurance provided for in this Condition 15 which, if not then covered under the provisions of existing policies, shall be covered by special endorsement thereto in respect to any improvements, structures, alterations, or additions to or installations, including all materials and equipment therefor, incorporated in, on or about the Leased Premises (including excavations, foundations, and footings) under a broad form all risks builder's risk completed value form or equivalent thereof; and

15.3.3. Workers' compensation or similar insurance covering all persons employed in connection with the work and with respect to whom death or bodily injury claims could be asserted against the Government, the Lessee or the Leased Premises in form and amounts required by law.

15.4. All policies of insurance which this Lease requires the Lessee to carry and maintain or cause to be carried or maintained pursuant to this Condition 15 shall be effected under valid and enforceable policies, in such forms and amounts as may, from time to time, be required under this Lease, issued by insurers of recognized responsibility. All policies issued by the respective insurers for comprehensive general liability insurance and for the broad form of extended coverage insurance provided for above in this Condition shall be for the mutual benefit of the Government and the Lessee and will name the Government as an additional insured. Each such policy shall provide that any losses shall be payable notwithstanding any act or failure to act or negligence of the Lessee or the Government or any other person; provide that no cancellation, reduction in amount, or material change in coverage thereof shall be effective until at least sixty (60) days after receipt by the Government of written notice thereof; provide that the insurer shall have no right of subrogation against the Government; and be reasonably satisfactory to the Government in all other respects. In no circumstances will the Lessee be entitled to assign to any third party rights of action which the Lessee may have against the Government. Notwithstanding the foregoing, any cancellation of insurance coverage based on nonpayment of the premium shall be effective upon ten (10) days' written notice to the Government. The Lessee understands and agrees that cancellation of any insurance coverage required to be carried and maintained by the Lessee under this Condition 15 will constitute a failure to comply with the terms of the Lease, and the Government shall have the right to terminate the Lease for default and breach pursuant to Condition 7 upon receipt of any such cancellation notice, but only if the Lessee fails to cure such noncompliance to the extent allowed under Condition 7.

15.5. The Lessee shall deliver or cause to be delivered upon execution of this Lease (and thereafter not less than fifteen (15) days prior to the expiration date of each policy furnished pursuant to this Condition 15), at the Government's option, a certified copy of each policy of insurance required by the Lease as soon as each such policy is made available by the insurer, or a certificate of insurance evidencing the insurance required by the Lease, or both.

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

15.6. In the event that any item or part of the Leased Premises (including the Lessee Improvements thereon), shall be damaged (except *de minimis* damage) or destroyed, the risk of which is assumed by the Lessee under Condition 15.1 above ("Damaged or Destroyed Property"), the Lessee shall promptly give notice thereof to the Government.

15.6.1. The Lessee shall as soon as practicable after the casualty restore the Damaged or Destroyed Property as nearly as possible to the condition which existed immediately prior to such loss or damage, subject to Condition 15.6.2 below.

15.6.2. In the event that the Government determines the magnitude of Damaged or Destroyed Property is so extensive as to render the Leased Premises incapable of use by the Lessee for its operations and the repairs, rebuilding, or replacement of the Damaged or Destroyed Property cannot reasonably be expected to be substantially completed within nine (9) months of the occurrence of the casualty ("Extensive Damage or Destruction of Improvements"), either Party may terminate this Lease as provided in Condition 7.3.3 above.

15.6.3. In the event the Lease is terminated pursuant to Condition 7.3.3, all applicable insurance proceeds relative to the Damaged or Destroyed Property shall be applied first to removing debris from and restoring the damaged area to a reasonably clean and safe condition. Any remaining balance of the proceeds may be retained by the Lessee, subject to Conditions 11 and 22 of the Lease.

CONDITION 16

SELECTED PROPOSAL AND SOLICITATION

16.1. The selected proposal submitted by or on behalf of the Lessee (together with the Final Plans, the final construction schedule, the Construction Management Plan, the Operations and Maintenance Plan, and the Management Plan approved by the Government and including any approved amendments or modifications, shall be collectively referred to as the "Selected Proposal"), in response to United States Department of the Air Force Solicitation No. F09650-98-R-0207 (including any and all amendments, the ASolicitation), and the Solicitation are by this reference incorporated herein and made a part of this Lease. The Lessee shall design, construct, replace, demolish, rehabilitate, own, operate and maintain the Leased Premises and the Lessee Improvements in accordance with the Solicitation and Selected Proposal and the terms and conditions of the Solicitation and the Selected Proposal shall be binding upon any and all successors and assigns of the Lessee, including without limitation, any Guaranteed Government or other mortgagee who assumes the operation and/or ownership of the Leased Premises whether by mortgagee-in-possession, foreclosure, deed-in-lieu of foreclosure or otherwise. In the event of a conflict between the provisions in the Solicitation, the Selected Proposal and those contained in this Lease, the provisions of this Lease shall control.

CONDITION 17

CONSTRUCTION OF IMPROVEMENTS, INSTALLATIONS, AND ALTERATIONS

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

17.1. This Lease is subject to and conditioned on the Lessee constructing, renovating and completing certain buildings, structures, and other improvements, including the Conveyed Improvements (collectively, "Lessee Improvements" or the "Project") on the Leased Premises in accordance with the Solicitation and the Selected Proposal, and operating and maintaining them as a 670-unit rental housing development primarily and on a preferred basis for use by military personnel assigned to Robins AFB and their dependents. It is specifically understood that the construction of the Lessee Improvements is a private undertaking; subject to the possible acquisition of the Lessee Improvements upon a default and termination of this Lease, title to the Lessee Improvements shall be vested in the Lessee; and the Government's sole and exclusive interest and liability in this Lease is limited to that of lessor of the land. The Lessee shall not be entitled under this Lease to receive from the Government and the Government shall not be obligated to pay to the Lessee any monetary consideration for the construction of the Lessee Improvements contemplated by this Condition 17.

17.1.1. As of the date of this Lease, the Lessee has submitted and the Government has approved final development plans and specifications ("Final Plans") for the Lessee Improvements to be constructed on the Leased Premises, including, but not limited to the utilities systems and landscaping.

17.1.1.1. The Final Plans are in accordance with the requirements of the Solicitation, the Selected Proposal identified in Condition 16 of this Lease, and the terms and conditions of this Lease.

17.1.1.2. The Final Plans have been prepared by a duly qualified architect registered in the State of Georgia and shall include a construction schedule for completion of the Lessee Improvements and foundation, framing and structural component drawings signed and sealed by a licensed structural engineer. Both the architect and the structural engineer shall be employed by the Lessee.

17.1.1.3. If at any time following the approval of the Construction Management Plan or Final Plans, the Lessee desires to make any "material changes" (as defined below) to either document, the Lessee shall request approval of the proposed materials changes from the Secretary. No proposed material changes to the Construction Management Plan or the Final Plans shall be effective unless and until approved by the Secretary. Requests for approval will be made by submitting the proposed material changes to the Base Civil Engineer, _____ . Any such proposed material changes to the Construction Management Plan or Final Plans shall be prepared by a duly qualified architect or engineer, as appropriate, who is licensed to practice in the State of Georgia and shall include, if required, a revised construction schedule for completion of the Lessee Improvements, and any revised foundation, framing and structural component drawings signed and sealed by a licensed structural engineer. The Secretary shall have the right to approve or reject proposed material changes in the Construction Management Plan or Final Plans, in its reasonable discretion. The Secretary shall notify the Lessee of the Secretary's approval or rejection of any proposed material changes to the Construction Management Plan or Final Plans within thirty (30) calendar days from their receipt. If the Secretary rejects any proposed material change to the Construction Management Plan or Final Plans, it shall specify the reasons for rejection. For purposes of this Lease, with respect to

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

the Construction Management Plan or Final Plans, "material changes" shall be deemed to mean changes that affect the layout, structure, appearance, quality of materials or equipment, so that they vary from the original approved proposal or standard practice.

17.1.2. Following the Preconstruction Conference as required under Condition 17.1.4.1, the Government shall, subject to Conditions 17.1.3 and 17.1.4.1, issue written authorization for the Lessee to proceed with the construction of the Lessee Improvements ("Authorization for Construction").

17.1.2.1. Within sixty (60) calendar days after issuance of the Authorization for Construction, as provided in Condition 17.1.2 above, the Lessee shall begin construction of the Lessee Improvements as described in the Selected Proposal. The Lessee Improvements shall be constructed in good and workmanlike manner and in accordance with the approved Final Plans and with the rules, regulations, and requirements of all departments, boards, bureaus, officials, and authorities which may be applicable to the Leased Premises, including the PUDD Zoning Approval.

17.1.2.2. The Lessee shall maintain in effect throughout the period of construction an effective quality control program that will assure that all materials and workmanship by any contractor, subcontractor, or vendor are in accordance with the Final Design. The quality control program shall be administered by an independent professional(s) employed by the Lessee and approved by the Government to perform inspections and provide certification of code compliance for all trades at each phase of the work. Alternatively, subject to Government approval, which shall not be unreasonably withheld or delayed, the quality control program may be administered by "in-house" project management staff regularly performing such quality control inspection functions for Lessee.

17.1.2.3. The Lessee shall prosecute the construction of the Lessee Improvements to completion with diligence in accordance with the construction schedule approved by the Secretary. The Lessee Improvements shall be completed not later than _____ (__) months from the date of issuance of the Authorization for Construction, subject, however, to excusable delays, i.e., unavoidable delays due to strikes, acts of God, inability to obtain labor or materials, governmental restrictions, enemy action, civil commotion, fire, or similar causes or any other causes beyond the reasonable control and without the fault or negligence of the Lessee and/or those engaged in the construction of the Lessee Improvements. The Lessee agrees that in the event the Lessee does not perform in accordance with the construction schedule in the Final Design as extended by such excusable delays, the failure shall constitute a default by the Lessee under this Lease.

17.1.3. No construction shall be commenced or shall be continued unless and until the Lessee shall provide the Government with a performance and payment bond issued by a corporate surety and satisfactory to the Government in all respects. Such a performance and payment bond shall run to the Government and to the Government that is a financial institution which has issued a commitment to the Lessee for a construction loan to finance the cost of construction of the Lessee Improvements, which commitment requires that such a performance and payment bond be delivered to the Government before it will make any advances. The loan

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

with such Government must actually close in accordance with its said commitment. Such performance and payment bond must be acceptable to the Government, be in the amount of the entire cost of construction of the Lessee Improvements in accordance with the Final Plans as such cost of construction is stipulated in the construction contract between the Lessee and its general contractor, and guarantee the performance of the contract for the construction of the Lessee Improvements in accordance with the Final Plans.

17.1.4. The Lessee agrees to permit the Government's representatives, agents, and employees access to and right of entry onto the Leased Premises before, during, and after construction of the Lessee Improvements for purposes of monitoring, observing, making inquiries, and taking samples of materials for testing as may be necessary in order for the Government to evaluate the physical characteristics of the Lessee Improvements, as well as such other matters as may be deemed by the Government to be reasonably necessary for the Government to determine their compliance with the Solicitation, the Selected Proposal and the Final Plans. The Parties expressly understand and agree that (i) any inspection activity by the Secretary does not relieve the Lessee of its responsibility for constructing, operating, maintaining and managing the Lessee Improvements pursuant to and in accordance with the terms of this Lease, the Solicitation and the Selected Proposal; (ii) failure of the Secretary to make any such on-site inspection or conduct such testing shall not limit or be construed to limit any of the Secretary's rights under this Lease; and (iii) no action by the Secretary shall be deemed to be approval of any plans and specifications or the Improvements as to their adequacy, safety, fitness or compliance with the PUDD Zoning Approval, building permits issued in connection with the Project or other applicable law. Failure to construct the Lessee improvements in accordance with the Final Plans and the terms of this Lease shall constitute a default and breach of this Lease by the Lessee, and the Government, at its option, may terminate the Lease as provided in Condition 7 above.

17.1.5. Within thirty (30) days after execution of this Lease and prior to issuance of the Authorization for Construction by the Government as provided in Condition 17.1.2 above, the Lessee shall attend a conference to acquaint the Lessee and other participants with the general plan of lease administration, inspection and requirements under which the construction operations will proceed. ("Preconstruction Conference"). At the Preconstruction Conference, the Lessee shall submit the final construction schedule, the payment and performance bond required under Condition 17.1.3 above and such other documents and information as the Government may require.

17.1.6 The City of Warner Robins will be the permitting agency and shall be contacted and paid directly by the Lessee. The City of Warner Robins will perform inspections in accordance with their standard procedures to assure compliance with all applicable local codes, standards, and regulations. The City of Warner Robins will have the authority to stop work if the Lessee fails to comply with local codes, standards, and regulations. Copies of all inspection reports and other materials produced or in connection with the City of Warner shall be provided to the Government.

17.1.7. The Lessee, at the time of the execution of the Lease, has obtained and delivered to the Government (i) a written commitment from a bank or other recognized financial institution or other entity acceptable to the Government by which the construction and the permanent "takeout" financing of the Lessee Improvements will be provided; (ii) completed

Request for Proposals

Solicitation Number F09650-90-R-0207

West Robins Housing Privatization Project, UHHZ 974012

application for construction and/or building permits to be issued by the City of Warner Robins; and (iii) completed application for the PUDD Zoning Approval.

17.1.8. The Lessee Improvements shall be constructed pursuant to and in accordance with the construction contract between the Lessee and its general contractor. Failure of the Lessee to construct the Lessee Improvements on the Leased Premises in accordance with the construction contract shall constitute a default and breach of this Lease by the Lessee, and the Government, at its option, may terminate the Lease as provided in Condition 7 above.

17.1.9. The Lessee shall warrant that the construction of the Lessee Improvements conforms to the Final Plans and is free of any defect in equipment, material, design, or workmanship. This warranty shall continue for a period of two (2) years from the date of completion of the Lessee Improvements. Performance of the warranty shall be secured by a corporate surety acceptable to the Government or by insurance in an amount not less than TWO MILLION DOLLARS (\$2,000,000.00). The warranty must be issued by a company authorized to do business in Georgia and which is otherwise acceptable to the Secretary and in such form as is acceptable to the Secretary in all respects. The Project Owner shall begin work to remedy any defect in equipment, material, design or workmanship within ten (10) days after receiving written notice of the defect from the Secretary. If the Project Owner fails to remedy the defect within a reasonable time after its receipt of notice, the Secretary shall have the right to require the corporate surety or insurer to replace, repair or otherwise remedy the defect at no expense to the Secretary. The warranty shall not limit any rights of the Secretary under this Lease or any other documents with respect to latent defects, gross negligence, willful misconduct or fraud.

17.2. All existing structures on the West Robins Exchange Parcel at the time of delivery of possession to the Lessee shall be demolished in accordance with a demolition plan prepared by the Lessee and approved by the Government and acceptable to the City of Warner Robins as being satisfying the conditions necessary to conclude the land swap between the Lessee and the City of Warner Robins with respect to the Warner Robins Exchange Parcel. The Lessee will submit the demolition plan to the Government at the Preconstruction Conference.

17.2.1. The demolition plan shall clearly set out a schedule of demolition activities.

17.2.2. The demolition plan shall include an asbestos disposal plan that identifies the proposed disposal site for the asbestos as required by Condition 10.5 above and otherwise in compliance with all applicable laws.

17.3. All matters of ingress, egress, contractor haul routes, construction activity and disposition of excavated material in connection with the Lease shall be coordinated with the Commander.

17.4. During the term of this Lease, the Lessee shall have the right at its expense to install such of its own machinery and equipment, to make minor improvements and to attach such removable fixtures in or upon the Leased Premises as may be necessary for its use of the Premises pursuant to this Lease; and to remove such machinery, equipment, minor improvements and

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

removable fixtures at any time prior to the expiration or earlier termination of this Lease by the Lessee. In the event of termination of the Lease by the Government, the Lessee shall have a reasonable period of time as determined by the Government from the effective date of the Termination Notice within which to remove such property.

17.5. The Lessee shall not construct any permanent structure on the Leased Premises except as set forth in Condition 17.1 above and shall not construct any temporary structure or advertising sign on them or make structural modifications, alterations, or additions to them without the prior written consent of the Government, which shall not be unreasonably withheld or delayed.

17.5.1. All plans and specifications for any such construction, modification, alterations, or additions by the Lessee require the written approval of the Government before starting any construction.

17.5.2. All construction shall be in accordance with the approved plans and specifications and without cost or expense to the Government.

17.6. Subject to Conditions 7 and 9, title to all improvements made by the Lessee under this Condition 17 shall, during the term of the Lease, be and will remain the Project of the Lessee.

CONDITION 18

UTILITIES AND SERVICES

18.1. The Lessee will be responsible for the construction, maintenance and repair of all utility distribution systems, connections to the units, conduits, and the connections to existing Robins AFB utility mains and purchase, installation, maintenance, and repair of all meters. All utilities shall be underground, unless otherwise approved by the Government as part of the Final Plans.

18.1.1. The Parties understand and agree that all construction, maintenance and repair of all utility distribution systems, connections to the units, conduits, and the connections to existing Robins AFB utility mains and purchase, installation, maintenance, and repair of all meters shall be without cost to the Government.

18.1.2. The Lessee shall be responsible for the expenses of all utilities used for common areas; operations facilities, including rental offices and maintenance shops; maintenance activities, including janitorial services; and vacant units. All newly constructed units shall be individually metered. Existing units shall be individually metered in accordance with the timetable and other provisions set forth in the Selected Proposal.

18.1.3. The Lessee shall be responsible at its expense for all janitorial services, building maintenance, and ground maintenance for the Leased Premises.

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

18.1.4. The Lessee will pay the charges for any utilities and services furnished by the Government that the Lessee may require in connection with its use of the Leased Premises. The charges and the method of payment for each utility or service will be determined by the appropriate supplier of the utility or service in accordance with applicable laws and regulations, on such basis as the appropriate supplier of the utility or service may establish.

18.1.5. The Parties understand and agree that the Government in no way warrants the continued provision, maintenance or adequacy of any utilities or services it may furnish to the Lessee.

18.2. Any purchase of utility services from the Government is subject to Conditions 18.2.1 and 18.2.2 below.

18.2.1. The sale of any utility service by the Government will be in accordance with 10 U.S.C.A. § 2481 and Air Force Instruction (AFI) 32-1061, *Providing Utilities to US Air Force Installations*, as it may be amended from time to time or any successor instruction or regulation.

18.2.2. The Lessee agrees to enter into a separate contract for each utility service procured under this Condition 18 at rates to be specified in each contract.

CONDITION 19

OPERATION AND MAINTENANCE OF THE PROJECT

19.1. The Lessee agrees to have a 670-unit rental housing development fully ready for occupancy on the Leased Premises in accordance with the Selected Proposal, the Final Plans and the final construction schedule. Failure to do so will constitute a default and breach of this Lease by the Lessee, and the Government, at its option, may terminate the Lease as provided in Condition 7 above.

19.2. The Lessee, at its sole cost and expense, shall operate and maintain the Leased Premises and the Lessee Improvements thereon as a rental housing development in accordance with applicable building, fire, health, and other applicable laws, ordinances, rules, and regulations; the Solicitation; the Selected Proposal; the Operations and Maintenance Plan; the Management Plan; the Operating Agreement identified in Condition 5 above; and all of the terms and conditions of this Lease. The Lessee shall have a fully operational maintenance function, as agreed upon in the Selected Proposal and the Operation and Maintenance Plan, upon commencement of occupancy of the units in the Project.

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

CONDITION 20

TENANTS AND LEASING

The Project Owner acknowledges and agrees that Referral Tenants are the intended tenants of the Project. In furtherance of the foregoing, the Project Owner shall not rent to Military Tenants who have not been referred by the Robins AFB Housing Referral Service without prior notice to and approval from the Robins AFB Housing Referral Service to do so and shall rent to Other Tenants only in strict accord with Condition 20.5.

20.1 Tenant Leases. Each tenant shall be required to sign a lease substantially in the form attached to this Lease as Exhibit H (the ATenant Lease≡) prior to occupancy of a unit. Tenant Leases to be executed by military personnel (AMilitary Tenants≡), without regard to whether such military personnel are AReferral Tenants≡ (as defined below) shall include a "Military Clause" permitting a Military Tenant to terminate the lease without liability or penalty due to military orders and shall not include a clause requiring a Military Tenant to make rent payments by allotment or other electronic transfer. The Lessee will not make material modifications to Tenant Lease without the prior reasonable approval of the Secretary. Proposed modifications which shall be deemed to be material include specifically, but without limitation, changes to the Military Clause, changes to require security deposits from Military Tenants, changes to the pet admission policy, and changes to increase the lease term for Other Tenants. Changes (other than the foregoing) made to the form Tenant Lease which are required under applicable law or in order to conform with the then existing Georgia Board of Realtors Residential Lease shall generally be deemed to be non-material; provided that the Lessee shall notify the Secretary prior to making any such changes and provide the Secretary with a copy of the new form Tenant Lease reflecting such proposed changes for its review and approval prior to their becoming effective.

Request for Proposals

Solicitation Number F09650-90-R-0207

West Robins Housing Privatization Project, UHHZ 974012

20.2. Referral Tenants. So long as the Lessee and the Project are in compliance with this Lease, the Solicitation and the Selected Proposal, the Robins AFB Housing Referral Service shall refer Military Tenants (AReferral Tenants) to the Lessee for rental of the units in the Project in accordance with the Priority Placement Plan. The Lessee understands and agrees that any such referral by the Government does not constitute an agreement by the Government to occupy the units in the Project, an order by the Government to such Referral Tenants to occupy the vacant units, or a guaranty of the occupancy of the units by the Government. The Secretary does not intend, and shall under no circumstances be obligated to, require military personnel and dependents stationed at Robins AFB or elsewhere to rent units at the Project. Military personnel and their dependents are free not to rent units in the Project if they choose to do so. The Lessee will provide written notice to the Robins AFB Housing Referral Service of all actual and projected vacancies in the units of the Project by category of the unit, which notice may be in the form of a monthly rent roll certified as true and correct by the Lessee. The notice will be provided a minimum of thirty (30) days in advance of the availability date, whenever possible. The Lessee will require tenants moving out to give a minimum of thirty (30) days prior notice, subject to the Military Clause. Following receipt of notice of actual and projected vacancies, the Robins AFB Housing Referral Service will advise the Lessee on the current status of the Housing Referral List for units in the Project.

20.3 Priority Placement Plan for Referral Tenants. The Lessee shall use best efforts to lease the units in the Project to Referral Tenants. The Lessee shall offer to rent the Units in the Project to Referral Tenants in the order they are referred and in accordance with the following Priority Placement Plan:

20.3.1 If the Lessee is unable to fill a vacant unit with an Accompanied Referral Tenant (as defined below) having a pay grade which matches the designation of such vacant unit before the later of fifteen (15) days after the unit becomes vacant or forty-five (45) days after the previous tenant was provided with a notification to vacate, the Lessee may offer such vacant unit to Accompanied Referral Tenants having a pay grade which does not match the designation of the Unit. "Accompanied Referral Tenant" means active duty military personnel and their dependents (as defined in 37 U.S.C.A. '401) who are tenants of the Project or who are eligible to rent units in the Project and are referred by the Robins AFB Housing Referral Service.

20.3.2 If a unit is vacant for the longer of thirty (30) days after the unit becomes vacant or sixty (60) days after the previous tenant was provided with a notification to vacate, such unit can be offered to Unaccompanied Referral Tenants (as defined below); provided that priority shall be given to Unaccompanied Referral Tenants having a pay grade which matches the designation of such vacant unit. "Unaccompanied Referral Tenants" means unaccompanied active duty military personnel who are tenants of the Project or who are eligible to rent units in the Project and are referred by the Robins AFB Housing Referral Service.

The Lessee shall not rent to Military Tenants who have not been referred by the Robins AFB Housing Referral Service without prior notice to and approval from the Robins AFB Housing Referral Service to do so.

20.4 Rental Rates for Referral Tenants.

Request for Proposals

Solicitation Number F09650-90-R-0207

West Robins Housing Privatization Project, UHHZ 974012

20.4.1 Throughout the term of this Lease, unless modified by an agreement executed by the Secretary and the Lessee, the mix of housing units and their designation by military pay grade shall be as set forth in Exhibit H and the Applicable Percentage (as defined below in Section 22) shall be as set forth in Exhibit I. In the event there is a material change in military rank and/or pay structure for military members assigned to Robins AFB during the term of this Lease, then upon the request of either party, the Secretary and the Lessee may enter into good faith negotiations concerning possible changes in the pay grade designation of the Housing Units, the rental structure for the Project as initially set forth in this Lease and the Applicable Percentage. Upon any agreement of the parties to modify the rental structure, the designation of Housing Units and/or the Applicable Percentage, this Lease shall be amended by substituting a new Exhibit H and/or new Exhibit I, for the then existing Exhibit H and/or Exhibit I, as applicable.

20.4.2 The Referral Tenant Rates charged to Referral Tenants shall not exceed the Housing Allowance for the grade of military personnel for which that particular unit is then designated multiplied by the percentage for each type of Housing Unit (the "Applicable Percentage") as set forth in Exhibit I. In a case where a Housing Unit is occupied by Referral Tenant having a pay grade which is higher than the pay grade for which such Housing Unit is designated, the Referral Rental Rate shall not exceed the Applicable Percentage multiplied by the Housing Allowance of the pay grade of such higher grade tenant.

20.4.3 Notwithstanding anything in this Lease to the contrary, with respect to occupied Housing Units which have not yet been metered in accordance with the Solicitation and the Selected Proposal, the Lessee shall collect as rent from Referral Tenants residing in such Housing Units an amount equal to 100% of the Housing Allowance for the grade of military personnel for which the Housing Unit is then designated or the Housing Allowance for the grade of the actual tenant, as applicable. In no event, however, shall the Lessee ever collect as rent from a Referral Tenant with respect to a Housing Unit which is not then metered an amount which is greater than 100% of such tenant's Housing Allowance. The Lessee shall utilize the amounts collected from the Referral Tenant to reimburse the Government for utilities; provided, that the Lessee shall remit to the Referral Tenant any amounts which are in excess of the sum of the Referral Rental Rate which would be applicable to such Housing Unit but for the need to complete metering and the reimbursement of utilities to the Government.

20.4.4 Referral Tenant Rates shall not be adjusted more than once a year and, subject to the terms of the Tenant Lease for each Referral Tenant, such adjustment shall take effect no earlier than February 1 of each year during the term of this Lease; provided, that an adjustment in Referral Tenant Rates shall in no event go into effect until the first of the month following the month in which adjustments in the Housing Allowance are made by the Government.

20.5 Other Tenants. In no event shall units be rented to tenants Other Tenants except in strict accord with this Condition 20.5.

20.5.1 If a vacant unit is not leased to a Unaccompanied Referral Tenant in accordance with Condition 20.3, such vacant unit may be rented to Other Tenants in the following priority: (i) Department of Defense and Department of the Air Force civil service employees, (ii) military retirees, and (iii) the general public.

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

20.5.2 Tenant Leases with Other Tenants shall not have a term in excess of one (1) year. The Lessee acknowledges and agrees that the Secretary is agreeing to permit the occupancy of units by Other Tenants during the term of this Lease solely as an accommodation to the Lessee and that Referral Tenants shall re-acquire priority placement rights to units occupied by Other Tenants following the expiration of the initial one-year terms of such leases. Upon expiration of their initial one-year term, the occupancy of Other Tenants shall be converted to a month-to-month tenancy which by the terms of the Tenant Lease shall be expressly subject to termination by the Lessee upon 30 days notice without cause or penalty. The Lessee shall make all units occupied by Other Tenants which are month-to-month tenancies available to Referral Tenants in accordance with the priority set forth above in Condition 20.1, and shall take all necessary action to terminate such month-to-month tenancies, if required, in order to accommodate Referral Tenants who desire to rent such units.

20.5.3 The rental rates to be paid by Other Tenants shall be at rates that are no lower or more favorable than the Rental Rates charged to Referral Tenants.

20.6 Tenant Information. All tenant lists, applications, and waiting lists relating to the Project, including without limitation the status of and rents charged to all tenants, shall at all times be kept separate and apart from any other business of the Lessee, and shall be maintained, as required by the Secretary from time to time, in a reasonable condition for proper audit and subject to examination during business hours by the Robins AFB Housing Referral Service or any other duly authorized representative of the Secretary. Failure to keep such lists and applications or to make them promptly available to the Secretary will be a default under this Lease. Within thirty (30) days after the end of each quarter, and at any other time upon the request of the Secretary, the Lessee shall deliver to the Secretary a rent schedule for the Project showing the name of each tenant, and for each tenant, the unit occupied, the lease expiration date, the rent payable for the current month, the date through which rent has been paid, and any related information requested by the Government.

CONDITION 21

NOTICES

21.1. Whenever the Government or the Lessee shall desire to give or serve upon the other any notice, demand, order, direction, determination, requirement, consent or approval, request or other communication with respect to this Lease or with respect to the Leased Premises, each such notice, demand, order, direction, determination, requirement, consent or approval, request or other communication shall be in writing and shall not be effective for any purpose unless same shall be given or served by personal delivery to the party or parties to whom such notice, demand, order, direction, determination, requirement, consent or approval, request or other communication is directed or by mailing the same, in duplicate, to such party or parties by certified mail, postage prepaid, return receipt requested, addressed as follows:

If to the Lessee:

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

If to the Government:

or at such other address or addresses as the Government or the Lessee may from time to time designate by notice given by certified mail.

21.2. Every notice, demand, order, direction, determination, requirement, consent or approval, request or communication hereunder sent by mail shall be deemed to have been given or served as of the second business day following the date of such mailing.

CONDITION 22

ASSIGNMENT, SUBLEASES AND LICENSES

22.1. The Lessee shall neither transfer nor assign this Lease or any interest therein or any property on the Leased Premises, nor sublet the Leased Premises or any part thereof or any property thereon, nor grant any interest, privilege, or license whatsoever in connection with this Lease without the prior written consent of the Government. Such consent shall not be unreasonably withheld or delayed, subject to Conditions 22.1.1, 22.1.2, and 22.1.3 below.

22.1.1. Any assignment or sublease granted by the Lessee shall be consistent with all of the terms and conditions of this Lease and shall terminate immediately upon the expiration or any earlier termination of this Lease, without any liability on the part of the Government to the Lessee or any assignee or sublessee. Under any assignment made, with or without consent, the assignee shall be deemed to have assumed all of the obligations of the Lessee under this Lease. No assignment or sublease shall relieve the Lessee of any of its obligations hereunder.

22.1.2. The Lessee shall furnish the Government, for its prior written consent, a copy of each agreement of sublease or assignment it proposes to execute. Such consent may include the requirement to delete, add or change provisions in the sublease or assignment instrument as the Government shall deem necessary to protect its interests. Consent to any sublease or assignment shall not be taken or construed to diminish or enlarge any of the rights or obligations of either of the Parties under the Lease. Consent or rejection of any required changes shall be provided within ten (10) business days of receipt of the proposed agreement.

22.1.3. Any agreement of sublease or assignment must include the provisions set forth in Conditions 10 of the Lease and expressly provide that: the sublease or assignment, as the case may be, is subject to all of the terms and conditions of the Lease; the sublease shall terminate on the expiration or earlier termination of the Lease; the sublessee or assignee, as the case may be, shall assume all of the Lessee's obligations and responsibilities under the Operating Agreement (Exhibit E); and in case of any conflict between any provisions of the Lease and any provisions of the agreement of sublease or assignment, the Lease will control. A copy of the Lease and the current Operating Agreement must be attached to the agreement of sublease or assignment.

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

22.1.4. Failure to comply with this Condition 22.1 shall constitute a material breach of this Lease by the Lessee. The Government shall not be obligated to recognize any right of any person or entity to an interest in this Lease or to own or operate any facilities and/or improvements or conduct any other activity or activities on the Leased Premises authorized under the Lease acquired in violation of this Condition 21.

22.2. Notwithstanding Condition 22.1 above, written consent of the Government shall not be required for the rental of units in the Project under a standard form Lessee-Tenant Lease approved by the Government.

CONDITION 23

LIENS AND MORTGAGES

23.1. Except as provided in this Condition 23, the Lessee shall not engage in any financing or other transaction creating any mortgage upon the Leased Premises; place or suffer to be placed upon the Leased Premises any lien or other encumbrance; or suffer any levy or attachment to be made on the Lessee's interest in the Leased Premises, other than such levy or attachment as may result from a foreclosure of a mortgage that is consistent with this Condition 23. Any inconsistent mortgage, encumbrance, or lien shall be deemed to be a violation of this covenant on the date of its execution or filing of record regardless of whether or when it is foreclosed or otherwise enforced, and is void in its inception.

23.2. During the term of this Lease, the Lessee may encumber its interest in the Leased Premises by way of one or more loans secured by a mortgage, subject to Condition 23.3 below. The proposed holder of any mortgage must be approved by the Government prior to the execution of such loan, which approval shall not be unreasonably withheld or delayed. Any loan may be further secured by a conditional assignment of this Lease (including the Operating Agreement attached as Exhibit E) by the Lessee to the mortgagee. The Government agrees to execute an Estoppel Certificate and any other similar documentation as may reasonably be required by the mortgagee so as to give its consent to the conditional assignment of this Lease and to certify as to the status of this Lease and to the performance of the Lessee hereunder as of the date of such certification. Notwithstanding any foreclosure, the Lessee shall remain liable for the performance of all the terms, covenants, and conditions of this Lease which by the terms hereof are to be carried out and performed by the Lessee.

23.3. No mortgage shall extend to or affect the fee, the reversionary interest or the estate of the Government in the Leased Premises. No mortgage shall be binding upon the Government in the enforcement of its rights and remedies under the Lease and by law provided, unless, and until a copy thereof shall have been delivered to the Government and such mortgage is authorized in accordance with the provisions of this Condition 23.

23.4. Promptly after assigning or encumbering the Leased Premises, the Lessee shall furnish the Government a written notice setting forth the name and address of such mortgagee. Further, the Lessee shall notify the Government promptly of any lien or encumbrance which has

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

been created or attached to the Leased Premises or to the Lessee's interest in the Leased Premises, whether by act of the Lessee or otherwise, of which the Lessee itself has notice.

23.5. If a mortgagee or purchaser at foreclosure of the mortgage shall acquire the Lessee's interest in the Leased Premises, by virtue of the default by the Lessee under the mortgage or otherwise, this Lease shall continue in full force and effect so long as the mortgagee or purchaser at foreclosure is not in default under the Lease. The mortgagee or purchaser at foreclosure may not appoint an agent or nominee to operate and manage any portion of the Leased Premises on its behalf without obtaining the prior written approval of the Government. Such approval shall not be withheld or delayed so long as the proposed agent or nominee has demonstrated experience or expertise in the Project, management, and operation of rental housing development facilities similar to the Leased Premises, as determined by the Government. For the period of time during which the mortgagee or any purchaser at foreclosure of a mortgage holds the Lessee's interest in the Leased Premises, the mortgagee or such purchaser shall become liable and fully bound by the provisions of this Lease.

23.6. With respect to the mortgagees, the Government agrees that the following shall apply:

23.6.1. If requested by a mortgagee which shall have duly registered in writing with the Government its name and address, any notice with respect to a default or a termination of this Lease from the Government to the Lessee shall be delivered simultaneously to such mortgagee at its registered address, and in the event of any such registration, no notice of default or termination of this Lease given by the Government to the Lessee shall be deemed legally effective until and unless like notice shall have been given by the Government to such mortgagee.

23.6.2. Such mortgagee entitled to such notice shall have any and all rights of the Lessee with respect to the curing of any default hereunder by the Lessee.

23.6.3. The Government will not accept any cancellation by the Lessee or enter into any material modification of this Lease without the prior written consent thereto of each mortgagee who shall become entitled to notice as provided in this Condition 23. The foregoing shall not apply or be construed to apply to any right the Government may have to terminate this Lease pursuant to its terms. It is also agreed that the Lessee shall provide any such mortgagee with notice of any proposed modification.

23.6.4. It is agreed that in the event that this Lease is terminated for any default of the Lessee which cannot be cured by the payment of money or performance of maintenance, repair, or construction work, such default (a "personal default") shall not be required to be cured by the leasehold mortgagee, and such personal default shall be waived by the Government as to such leasehold mortgagee. In the event this Lease is terminated as to the Lessee for such a personal default, the Government shall be obligated to execute a new lease to such leasehold mortgagee on the same terms and conditions as this Lease, provided that the mortgagee shall have cured or provided for the payment of the cost of all defaults (other than personal defaults) within the time and the manner set forth in this Condition 23. In the event that Federal law shall prohibit the execution of a new lease, the Government shall take such other appropriate action as shall be

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

legally permissible under Federal law, such as recognizing such mortgagee as a substitute lessee or otherwise suspending termination of the Lease, to prevent the loss of such mortgagee's rights in this Lease by virtue of a personal default. Examples of personal defaults include, without limitation, defaults in Conditions 25.1 and 25.4 of the Lease.

23.7. If the Government shall elect to terminate this Lease by reason of any default described herein with respect to this Lease, each mortgagee that shall have become entitled to notice as provided in this Condition 23 shall not only have any and all rights of the Lessee with respect to curing of any default, but also shall have the right to postpone and extend the specified date for the termination of this Lease ("Mortgagee's Right to Postpone") in any notice of termination by the Government to the Lessee ("Termination Notice"), subject to the following conditions:

23.7.1. Such mortgagee shall give the Government written notice of the exercise of the Mortgagee's Right to Postpone prior to the date of termination specified by the Government in the Termination Notice and simultaneously pay to the Government all amounts required to cure all defaults then existing (as of date of the exercise of Mortgagee's Right to Postpone) which may be cured by the payment of a sum of money.

23.7.2. Such mortgagee shall pay any sums and charges which may be due and owing by the Lessee and promptly undertake to cure, diligently prosecute and, as soon as reasonably possible, complete the curing all defaults of the Lessee which is susceptible of being cured by such mortgagee.

23.7.3. The Mortgagee's Right to Postpone shall extend the date for the termination of this Lease specified in the Termination Notice for a period of not more than six (6) months.

23.7.4. If, before the date specified for the termination of this Lease as extended by such mortgagee's exercise of Mortgagee's Right to Postpone, the assumption of performance and observance of the covenants and conditions herein contained on the Lessee's part to be performed under the Lease shall be delivered to the Government by the mortgagee, or its nominee and the mortgagee shall have complied with all obligations on the Lessee's part to be performed under the Lease and no further defaults shall have occurred which shall not have been cured within the periods of time after notice above provided for; then and in such event, all defaults under this Lease shall be deemed to have been cured, and the Government's Termination Notice shall be deemed to have been withdrawn.

23.8. Nothing herein contained shall be deemed to impose any obligation on the part of the Government to deliver physical possession of the Leased Premises to such holder of a mortgage.

23.9. If more than one mortgagee shall seek to exercise any of the rights provided for in this Condition 23, the holder of the mortgage having priority of lien over the other mortgagees shall be entitled, as against the others, to exercise such rights. Should a dispute arise among mortgagees regarding the priority of lien, the mortgagees must prove to the satisfaction of the

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

Government that they have settled that dispute.

23.10. The mortgagee may not appoint an agent or nominee to operate and manage the Leased Premises on its behalf without obtaining the prior written approval of the Government. Such approval shall not be withheld or delayed so long as the proposed agent or nominee has demonstrated experience or expertise in the Project, management, and operation of rental housing development facilities similar to the Leased Premises, as determined acceptable to the Government.

CONDITION 24

DISPUTES

24.1. Disputes Valued at Less than \$1,000 (Exclusive of Interest). Except as otherwise provided in this Lease, any dispute between the Government and the Lessee arising under or related to this Lease which the Parties are unable to resolve by negotiation and in which Ten Thousand Dollars (\$1,000.00) (exclusive of interest) or less is at issue shall be decided by the Commander. The Commander shall reduce his or her decision to writing and mail or otherwise furnish a copy to the Lessee. With respect to any such dispute, the Lessee agrees that the decision of the Commander shall be final and conclusive and shall not be appealable or otherwise subject to challenge.

24.2. Disputes Valued at More than \$1,000 (Exclusive of Interest). The Lessee and the Government hereby agree that the following procedures constitute the administrative procedures that must be exhausted before the Lessee or Government may pursue any remedy that is available to it under the law.

24.2.1. Any dispute between the Government and the Lessee arising under or related to this Lease which the Parties are unable to resolve by negotiation and in which more than Ten Thousand Dollars (\$1,000.00) (exclusive of interest) is at issue shall be decided by the Commander. The Commander shall reduce his or her decision to writing and mail or otherwise furnish a copy to the Lessee. The decision of the Commander ("Decision") shall be final and conclusive unless, within thirty (30) calendar days from the date of receipt of the Decision, the Lessee furnishes the Commander, by certified mail, a written appeal of the Decision addressed to the Secretary of the Air Force ("Secretary").

24.2.2. The Secretary shall render a decision by a date mutually agreed upon the Parties. The decision of the Secretary or his or her authorized representative shall be final unless appealed to a court of competent jurisdiction in a timely manner, consistent with Condition 23.3 below. In connection with any appeal to the Secretary, the Lessee and the Government shall be afforded an opportunity to be heard and to offer evidence in support of its appeal.

24.3. Judicial Review. The Lessee or the Government, after exhausting the administrative remedies specified in Condition 24.2 above, may:

24.3.1. Pursue any remedy available to it under the law; or

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

24.3.2. Before or in conjunction with pursuing any remedy which is available to it under law, by mutual agreement, submit the dispute to an alternative dispute resolution procedure authorized by the Administrative Dispute Resolution Act of 1966, P. L. No. 104-320 (to be codified at 5 U.S.C. §§ 571, et.seq.).

24.4. The Parties understand and agree that the Government's obligation to make any payment pursuant to this Lease is contingent upon the availability of appropriated funds proper for such payment.

CONDITION 25

GENERAL PROVISIONS

25.1. Covenant against Contingent Fees. The Lessee warrants that no person or agency has been employed or retained to solicit or secure this Lease upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial agencies maintained by the Lessee for the purpose of securing business. For breach or violation of this warranty, the Government shall have the right to annul this Lease without liability or in its discretion to require the Lessee to pay, in addition to the lease rental or consideration, the full amount of such commission, percentage, brokerage, or contingent fee.

25.2. Officials Not to Benefit. No Member of or Delegate to the Congress of the United States of America or Resident Commissioner of the United States of America, shall be admitted to any share or part of this Lease or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this Lease if made with a corporation for its general benefit.

25.3. Facilities Nondiscrimination. As used in this condition, the term "facility" means lodgings, stores, shops, restaurants, cafeterias, restrooms, and any other facility of a public nature in any building covered by, or built on land covered by, this Lease.

25.3.1. The Lessee agrees that it will not discriminate against any person because of race, color, religion, sex, or national origin in furnishing, or by refusing to furnish, to such person or persons the use of any facility, including any and all services, privileges, accommodations, and activities provided on the Leased Premises. This does not require the furnishing to the general public the use of any facility customarily furnished by the Lessee solely to tenants or to Air Force military and civilian personnel, and the guests and invitees of any of them.

25.3.2. The Parties agree that in the event of the Lessee's noncompliance, the Government may take appropriate action to enforce compliance, may terminate this Lease for default and breach as provided in Condition 7 above, or may pursue such other remedies as may be provided by law.

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

25.4. Gratuities.

25.4.1. The Government may, by written notice to the Lessee, terminate this Lease if, after notice and hearing, the Secretary of the Air Force or a designee determines that the Lessee, or any agent or representative of the Lessee, offered or gave a gratuity (e.g., an entertainment or gift) to any officer, official, or employee of the Government and intended, by the gratuity, to obtain a lease or other agreement or favorable treatment under a lease or other agreement.

25.4.2. The facts supporting this determination may be reviewed by any court having lawful jurisdiction.

25.4.3. If this Lease is terminated under Condition 25.4.1 above, the Government shall be entitled to pursue the same remedies against the Lessee as in a breach of the Lease by the Lessee, and in addition to any other damages provided by law, to exemplary damages of not less than three (3) nor more than ten (10) times the cost incurred by the Lessee in giving gratuities to the person concerned, as determined by the Secretary of the Air Force or a designee.

25.4.4. The rights and remedies of the Government provided in this Condition shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Lease.

25.5. No Joint Venture. Nothing contained in this Lease will make, or will be construed to make, the Parties hereto partners or joint venturers with each other, it being understood and agreed that the only relationship between the Government and the Lessee under this Lease is that of landlord and tenant. Neither will anything in this Lease render, nor be construed to render, either of the Parties hereto liable to any third party for the debts or obligations of the other Party hereto.

25.6. Records and Books of Account.

25.6.1. The Lessee agrees that the Comptroller General of the United States or the Auditor General of the United States Air Force or any of their duly authorized representatives shall, until the expiration of three (3) years after the expiration or earlier termination of this Lease, have access to and the right to examine any directly pertinent books, documents, papers, and records of the Lessee involving transactions related to this Lease.

25.6.2. Lessee shall furnish to Government all of the following:

- (1) within one hundred twenty (120) days after the end of each fiscal year of the Lessee, a copy of its annual financial statements prepared in accordance with generally accepted accounting principles and audited by a certified public accountant;

Request for Proposals

Solicitation Number F09650-90-R-0207

West Robins Housing Privatization Project, UHHZ 974012

-
- (2) within one hundred twenty (120) days after the end of each fiscal year of Lessee, a statement of income and expenses for Lessee's operation of the Leased Premises for that fiscal year;
 - (3) within thirty (30) days after the end of each quarter, a statement of income and expenses for Lessee's operation of the Leased Premises for the preceding quarter, presented for each month during that quarter;
 - (4) after a default under this Lease has occurred and is continuing, within fifteen (15) days after the end of each month, monthly income and expense statements for the Leased Premises;
 - (5) within one hundred twenty (120) days after the end of each fiscal year of Lessee, a statement of changes in financial position of Lessee relating to the Leased Premises for that fiscal year; a balance sheet showing all assets and liabilities of Lessee relating to the Leased Premises as of the end of that fiscal year; a balance sheet, a statement of income and expenses for Lessee and a statement of changes in financial position of Lessee for that fiscal year;
 - (6) within thirty (30) days after the end of each quarter, and at any other time upon the request of the Government, a rent schedule for the Leased Premises showing the name of each tenant, and for each tenant, the space occupied, the lease expiration date, the rent payable for the current month, the date through which rent has been paid, and any requested related information;
 - (7) within one hundred twenty (120) days after the end of each fiscal year of Lessee, and at any other time upon the request of the Government, an accounting of all security deposits held pursuant to all Leases, including the name of the institution (if any) and the names and identification numbers of the accounts (if any) in which such security deposits are held and the name of the person to contact at such financial institution, along with any authority or release necessary for the Government to access information regarding such accounts;
 - (8) within one hundred twenty (120) days after the end of each fiscal year of Lessee, and at any other time upon the request of the Government, a statement that identifies all owners of any interest in Lessee and any entity having a 15% or greater interest in the Lessee and the interest held by each, if Lessee or any such entity is a corporation, all officers and directors of Lessee and such entity, and if Lessee or such entity is a limited liability company, all managers who are not members;
 - (9) within thirty (30) days after the end of each quarter, a monthly property management report for the Leased Premises, showing the number of

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

inquiries made and rental applications received from tenants or prospective tenants and deposits received from tenants, materials relating to marketing and leasing efforts for the Leased Premises, and any other information requested by the Government;

- (10) within thirty (30) days after the end of each quarter, a monthly maintenance report for the Leased Premises, showing the number of maintenance requests from tenants and the disposition of such requests, maintenance records and expenditures, and any other information requested by the Government;
- (11) within thirty (30) days of their filing with the required federal, state or local agencies, all income, real and personal property and any other tax returns and any other tax filings relating to Lessee and the Leased Premises;
- (12) not less than ninety (90) day prior to the end of each calendar year, proposed operating and capital budget(s) for the Leased Premises for the upcoming calendar year, including estimated income, source of income and expenses, including taxes, insurance and replacement reserves, and identifying the assumptions underlying such budget(s).
- (13) copies of any and all default or deficiency notices provided to the Lessee by any approved mortgagee, any government agency, insurance company or other party promptly following Lessee's receipt of same; and
- (14) within fifteen (15) days after receipt of a request by the Government, such additional information, as reasonably requested by the Government

25.7. Equal Opportunity Clause. The following clause is applicable unless the Lease is exempt under the rules, regulations and relevant orders of the Secretary of Labor (41 CFR ch 60).

25.7.1. During the performance of the Lease, the Lessee agrees to comply with Conditions 25.7.1.1 through 25.7.1.8 below.

25.7.1.1. The Lessee shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin.

25.7.1.2. The Lessee shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

25.7.1.3. The Lessee shall post in conspicuous places available to

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

employees and applicants for employment the notices to be provided by the contracting officer for the Lease ("Lease Officer") that explain this clause.

25.7.1.4. The Lessee shall, in all solicitations or advertisements for employees placed by or on behalf of the Lessee, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

25.7.1.5. The Lessee shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, the notice to be provided by the Lease Officer advising the labor union or workers' representative of the Lessee's commitments under this equal opportunity clause, and post copies of the notice in conspicuous places available to employees and applicants for employment.

25.7.1.6. The Lessee shall comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

25.7.1.7. The Lessee shall furnish all information required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and shall permit access to its books, records, and accounts by the leasing agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

25.7.1.8. In the event of the Lessee's noncompliance with the equal opportunity clause of this Lease or with any of the said rules, regulations, or orders, this Lease may be terminated for default and breach as provided in Condition 7 above, and the Lessee may be declared ineligible for further Government leases and other contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

25.7.2. Notwithstanding any other condition in this Lease, disputes relative to this equal opportunity clause will be governed by the procedures in 41 CFR 60-1.1.

25.8. Remedies Cumulative; Failure of Government to Insist on Compliance. The specified remedies to which the Government may resort under the terms of the Lease are distinct, separate, and cumulative, and are not intended to be exclusive of any other remedies or means of redress to which the Government may be lawfully entitled in case of any breach or threatened breach by the Lessee of any provisions of this Lease. The failure of the Government to insist in any one or more instances, upon strict performance of any of the terms, covenants, or conditions of this Lease shall not be construed as a waiver or a relinquishment of the Government's right to the future performance of any such terms, covenants, or conditions, but the obligations of the Lessee with respect to such future performance shall continue in full force and effect. No waiver by the Government of any provisions of this Lease shall be deemed to have been made unless expressed in writing and signed by an authorized representative of the Government.

25.9. Headings or Titles. The brief headings or titles preceding each condition are

Request for Proposals

Solicitation Number F09650-90-R-0207

West Robins Housing Privatization Project, UHHZ 974012

merely for purposes of identification, convenience, and ease of reference, and will be completely disregarded in the construction of this Lease.

25.10. Counterparts. This Lease is executed in two (2) counterparts each of which is deemed an original of equal dignity with the other and which is deemed one and the same instrument as the other.

25.11. Personal Pronouns. All personal pronouns used in this Lease, whether used in the masculine, feminine or neuter gender, will include all other genders.

25.12. Entire Agreement. It is expressly agreed that this written instrument embodies the entire agreement between the parties regarding the use of the leased premises by the Lessee, and there are no understandings or agreements, verbal or otherwise, between the parties except as expressly set forth herein. This instrument may only be modified or amended by mutual agreement of the parties in writing and signed each of the parties hereto.

25.13. Recording. This Lease or a Notice or Memorandum of this Lease may be filed for record in the Houston County, Georgia, on or after the Term Beginning Date.

CONDITION 26

SPECIAL PROVISIONS

26.1. Housing Requirement. The Government represents that, for the limited purpose of determining the Government's future housing requirements for Robins AFB, it shall consider the Project as part of the adequate housing available to the Government provided the Project has been and is being operated and maintained in accordance with the provisions of this Lease and the Operating Agreement (Exhibit E).

26.2. Segregation of Funds; Required Accounts. Funds generated in connection with the Leased Premises shall be maintained in the accounts set forth below, plus an Operating Account. Each such account shall be separate from all other accounts maintained by the Lessee and shall under no circumstances be commingled with any other accounts or funds of the Lessee. Each of the required accounts shall be maintained with a federally insured financial institution satisfactory to the Government in an account that is federally insured to the maximum extent possible. In the event of the sale or other transfer of the Project by the Lessee, all such accounts shall be transferred by the Lessee with and as part of the Project to the subsequent owner.

26.2.1 The Lessee shall be required to establish and maintain the escrow accounts and reserves required under this Condition 26 throughout the term of this Lease; provided, however, that with the Secretary's prior consent and approval, the Lessee shall not be required to maintain one or more of such accounts if the Secretary determines that accounts of comparable size and purpose are being maintained by the Lessee under the terms of any approved financing secured by the Project subject to such terms and conditions as are reasonably acceptable to the Secretary, including that such funds are being held under an arrangement which reasonably protects the interests of the Secretary.

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

26.2.2 Replacement Reserve. The Lessee shall establish and maintain throughout the existence of this Lease, a replacement reserve ("Replacement Reserve") sufficient to cover major renovations and improvements expected during the term of this Lease, including but not limited to, roof repair, appliance replacement, recarpeting, repaving and similar capital improvements. This fund will be established as an interest-bearing account in a Federally insured institution requiring the signature of both the Government and the Lessee in order to withdraw funds.

26.2.2.1 Deposits into the Replacement Reserve shall be in an annual amount calculated at not less than _____ Dollars (\$_____) per year per unit (AAmount Per Unit@). The Amount Per Unit shall be increased by _____ per cent (___%) per year during each year of the term of this Lease. The Parties recognize that because expense disbursements from the Replacement Reserve are based on estimated useful life of the components and the estimated life of the components may vary, amounts deposited in the Replacement Reserve may or may not be adequate to cover the replacement costs. Accordingly, the adequacy of the Replacement Reserve shall be analyzed annually by the Government. If the Government determines in its reasonable discretion that a higher monthly deposit is needed to ensure the future adequacy of the Replacement Reserve to accommodate maintenance of the units to industry standards, the Lessee agrees to increase the Amount Per Unit as directed by the Government in writing. The annual amount of the funding to the Replacement Reserve may be increased or decreased without amending this Lease.

26.2.2.2 Deposits into the Replacement Reserve shall be made monthly on the first day of each month during the term of this Lease in an amount equal to one-twelfth (1/12) of the annual Amount Per Unit. With respect to newly constructed units such monthly deposits shall begin on the first of the month following the issuance of a certificate of occupancy or its equivalent, without regard to whether such unit is occupied. With respect to units which are to be renovated by the Lessee (including any units for which certificates of occupancy have not been issued as of the conveyance of such existing units to Lessee), monthly deposits shall commence on the first of the month following their conveyance by the Government and shall continue until the month in which such units are withdrawn from the rental market to undergo renovation. Monthly deposits with respect to the renovated units shall recommence on the first day of the month following the issuance of a certificate of occupancy or its equivalent with respect to such renovated units, without regard to whether such unit is occupied.

26.2.2.3. The Replacement Reserve, including all interest thereon, shall be used solely for the purpose of making capital improvements and replacements to the Project, subject to terms of this Lease. Disbursements from the Replacement Reserve may be made only after receiving the written consent of the Government, which consent shall not be unreasonably withheld or delayed, or at the Government's sole and absolute discretion, the written consent of a Government that is providing financing with respect to the Project. Disbursements from the Replacement Reserve will be no more frequently than monthly, based upon written invoices from contractors, subcontractors, suppliers, laborers, materialmen, and others supplied by Lessee.

26.2.2.4. Following either a determination by the Government that an

Request for Proposals

Solicitation Number F09650-90-R-0207

West Robins Housing Privatization Project, UHHZ 974012

incurable default may occur or the occurrence of an uncured default by the Lessee under this Lease, or under any Guaranteed Loan, the Government may direct (or approve) the use of funds in the Replacement Reserve to cure such default. Any direction by the Government for disbursement of funds in the Replacement Reserve pursuant to this section shall be in writing. If the Government directs (or approves) the disbursement of any funds in the Replacement Reserve to cure a default under such a mortgage, the Lessee shall deposit a like amount into the Replacement Reserve as soon as possible but no later than eleven (11) months after the directed disbursement of funds.

26.2.2.5. The Lessee's obligation to maintain the Project is independent of its obligation to maintain the Replacement Reserve, and the Lessee's obligation shall not be limited or otherwise affected by the adequacy of the Replacement Reserve to cover the costs of necessary maintenance, repairs, and replacements. Subject to the terms of the Lockbox Agreement (as defined below), the Lessee may, in its discretion make additional deposits to the Replacement Reserve as it determines necessary and prudent to accommodate maintenance of the units to industry standards.

26.2.2.6. Upon the expiration or termination of this Lease, the amounts, if any, then deposited in the Replacement Reserve, shall first be applied to satisfy any remaining obligations or cure any defaults of the Lessee under this Lease, and the balance, if any, remaining in the Replacement Reserve following the satisfaction of such obligations of Lessee shall be applied as follows:

26.2.2.7. If this Lease or the Lessee's operation of the Project is terminated for default, any such remaining balance shall remain in the Replacement Reserve to be used in connection with the continued operation of the Project and shall become the Project of the Government, or of any other party approved by the Government as the owner or operator of the Project following such termination. Upon the expiration of this Lease at the end of its term, any such remaining balance shall be paid to the Lessee.

26.2.2.8. Upon the sale or other transfer of the Project, the amounts, if any, then deposited in the Replacement Reserve shall be deemed to be assets of the housing project and shall be transferred to the transferee. In connection with any proposed sale or transfer of the Project, the Government shall have the right to review the amounts then deposited in the Replacement Reserve, the amount of the monthly deposits then required to be made into the Replacement Reserve, the repairs and replacements which the Government determines may be required to the Project during the remaining term of this Lease and any other issues which the Government deems to be relevant with respect to the Replacement Reserve. Based upon such review, the Government may require a lump-sum deposit to the Replacement Reserve, and/or an increase in the amount of the monthly deposits into the Replacement Reserve as a condition to the Government's consent to such transfer. In all events, the transferee shall be required to assume the Lessee's duties and obligations under this Lease with respect to the Replacement Reserve.

26.2.3. Construction Escrow Account. Until the construction and/or renovation of all Improvements is completed in accordance with the Solicitation, the Selected Proposal, the Construction Management Plan and the Final Plans, including the issuance of certificates of

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

occupancy with respect to all the Improvements, the Lessee shall continue to maintain an account, separate from all other accounts maintained by the Lessee to known as the "Construction Escrow Account." It will be a dual signature account with the Lessee and the Government as co-signatories. The purpose of the Construction Escrow Account is to insure that the cashflow after debt service and reserves from the existing rental units is utilized to off set demolition, construction, and renovation costs.

26.2.3.1. Until the construction and/or renovation of all Improvements is completed, all operating income of the project in excess of the normal and customary operating expenses of the Project must be deposited into this account as approved by the Government. The Construction Escrow Account shall be maintained with a federally insured financial institution in an interest-bearing account. The Secretary may waive the requirement for the Construction Escrow Account if an approved Government requires a similar account.

26.2.3.1. Deposits into the Construction Escrow Account shall be made monthly on or before the 15th of each month. The Construction Escrow Account, including all interest thereon, shall be used solely for the purpose of making the funding the costs of the Improvements. Disbursements from the Construction Escrow Account may be made only after receiving the written consent of the Government's Authorized Representative, or at the Government's discretion, by the Government that is providing construction financing to the project in accordance with a building loan or similar agreement. Funds shall be advanced from the Construction Escrow Account in accordance with customary commercial lending practices, e.g., disbursements shall be no more frequently than once in each calendar month, based on the actual invoices of Lessee, contractors for Lessee, and suppliers for materials and equipment or services actually provided.

26.2.3.2. The Construction Escrow Account may be closed with the consent of the Government upon completion of demolition, construction, and renovation. Provided the Lessee is not then in default under this Lease, and subject to the terms of any building loan or construction loan agreement with the construction Government, upon termination of the Construction Escrow Account, excess funds in the Construction Escrow Account will be released to the Lessee.

26.2.4. Impositions Escrow Account. The Lessee shall establish and maintain, throughout the term of this Lease, one or more reserve accounts which are separate from all other accounts maintained by the Lessee and known as the "Impositions Escrow Accounts" for the purpose of holding applicable tax payments and insurance premiums. The Lessee shall deposit the estimated monthly impositions into the Impositions Escrow Account. The Impositions Escrow Account will be maintained in an interest bearing escrow account with a federally insured financial institution. The Government may request proof of deposits. This condition to maintain the Imposition Escrow Accounts may be satisfied by an approved escrow account with an approved Government. As and when reasonably requested by the Government, proof shall be provided to the Government to verify the existence and balance of any such accounts maintained by an approved Government.

26.2.5. Security Deposit Account. Throughout term of this Lease, the Lessee shall establish and maintain, an interest-bearing account (the "Security Deposit Account") with a federally insured financial institution or with a commercial investment firm

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

reasonably acceptable to the Secretary which is separate from all other accounts maintained by the Lessee. The Lessee shall maintain in the Security Deposit Account throughout the Restrictive Period a minimum of \$250,000 (the "Security Deposit"), in the form of cash or certified funds. The Security Deposit shall serve as security for the payment and performance by the Lessee of all obligations, covenants, conditions and agreements under this Lease, excluding demolition, construction, and renovation, and subject to the following terms and conditions: 26.2.5.

Security Deposit Account. Throughout term of this Lease, the Lessee shall establish and maintain, an interest-bearing account (the "Security Deposit Account") with a federally insured financial institution or with a commercial investment firm reasonably acceptable to the Secretary which is separate from all other accounts maintained by the Lessee. The Lessee shall maintain in the Security Deposit Account throughout the Restrictive Period a minimum of \$250,000 (the "Security Deposit"), in the form of cash or certified funds. The Security Deposit shall serve as security for the payment and performance by the Lessee of all obligations, covenants, conditions and agreements under this Lease, excluding demolition, construction, and renovation, and subject to the following terms and conditions:

26.2.5. Security Deposit Account. Throughout term of this Lease, the Lessee shall establish and maintain, an interest-bearing account (the "Security Deposit Account") with a federally insured financial institution or with a commercial investment firm reasonably acceptable to the Secretary which is separate from all other accounts maintained by the Lessee. The Lessee shall maintain in the Security Deposit Account throughout the Restrictive Period a minimum of \$250,000 (the "Security Deposit"), in the form of cash or certified funds. The Security Deposit shall serve as security for the payment and performance by the Lessee of all obligations, covenants, conditions and agreements under this Lease, excluding demolition, construction, and renovation, and subject to the following terms and conditions:

26.2.5.1. The Security Deposit Account shall be established with the designated representative of the Secretary having sole disbursement of funds authority via check writing privileges.

26.2.5.2 If the Lessee fails to perform any provision of the Solicitation, the Selected Proposal or this Lease, after any applicable notice and cure period, the Secretary may, after seven (7) days written notice to the Lessee and without prejudice to any other remedy it may have, make a unilateral deduction from the Security Deposit Account and apply any or all of the Security Deposit to correct such non-compliance. If the amounts in the Security Deposit Account are not sufficient to cover such amount, the Lessee shall pay the difference to the Secretary on demand.

26.2.5.3 If the Secretary uses or applies all or any portion of the Security Deposit in accordance with the terms of this Lease, the Lessee shall, within the time specified by the Secretary, deposit an amount sufficient to restore the Security Deposit Account to the greater of \$250,000 or the balance of the account on the date the money was removed.

26.2.5.4. If the Lessee shall fail to deposit or cause to be deposited any of the Security Deposit within thirty (30) days following receipt of the Secretary's demand for such amounts, the Secretary shall give written notice that the Lessee is delinquent in his payment and

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

such unpaid amounts will bear interest at the rate of ten percent (10%) per annum. In the event the Lessee shall fail to pay any such amounts within such thirty (30) day period, in addition to the right to sue the Lessee for a judgment, the Secretary shall have the right to enforce the lien imposed under this Lease to the same extent, and subject to the same procedure, as in the case of mortgages under applicable Georgia law. The amount due by the Lessee shall include the amount of all amounts past due, as well as the costs of such proceedings, including reasonable attorney's fees, and the aforesaid interest. In addition, to the extent permitted by law, the Secretary shall have the right to foreclose on and sell all or a portion of the Project owned by the Lessee at public or private sale after giving notice to the Lessee in the manner required under Georgia law for the conduct of non-judicial foreclosures. The Lessee shall be charged with and the Project shall be subject to a lien for any amounts not paid by the Owner in accordance with this Section.

26.2.5.5. If ownership or control of the Project is transferred to more than one party in accordance with this Lease, each party, by acceptance of an assignment, sublease or other conveyance of any part of the Leased Premises, whether or not it shall be so expressed in any such assignment, sublease or other conveyance, and so long as such party is the owner, operator or sublessee of any such portion of the Leased Premises, shall be deemed to covenant and agree to pay its pro-rata share of the Security Deposit. A Parcel owner's pro-rata share of the Security Deposit shall be determined as follows: (i) the number of units owned by a Person multiplied by (ii) number of units in the Project divided by (iii) the Security Deposit. Each such pro-rata payment, together with interest and costs of collection, including reasonable attorney's fees, shall be the obligation of the Person owning the Parcel at the time of the demand for payment of the Security Deposit as well as the obligation of any Person purchasing the Parcel subject to such amounts due and interest and costs of collection, if any.

26.2.5.6. If the Lessee performs all of its obligations under this Lease, and is not then in default under this Lease, the Security Deposit Account, or so much of the Security Deposit Account as has not been applied by the Secretary, shall be returned to the Lessee within sixty (60) days after the expiration or termination of this Lease.

26.2.5. Reinvestment Account. The Lessee has agreed to designate _____ percent (___%) of the Project's "net cashflow" (as defined below) into a "Reinvestment Account". The purpose of the Reinvestment Account is to protect and/or enhance the Project for use by Military Families, the intended beneficiaries of the Project and this Lease, through reinvestment in the Project in the form of quality of life improvements that will directly benefit military families. For purposes of this Lease, "net cashflow" shall mean gross income of the Project minus operating expenses, required debt service, all required escrows (other than the Reinvestment Account), taxes, and preferred returns. The Reinvestment Account shall be utilized in accordance with the "Reinvestment Plan" approved by the Government as part of the Selected Proposal and/or for other purposes which are consistent with the purpose of the Reinvestment Account as approved by the Government.

26.2.5.1. The Lessee shall establish and maintain the Reinvestment Account as an interest-bearing account with a federally insured financial institution or with a commercial investment firm reasonably acceptable to the Secretary, which is separate from all other accounts maintained by the Lessee. Lessee shall keep or cause its books and records to be

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

kept in such a manner as to easily and accurately identify annual net cashflow of the Project. The Secretary, during normal business hours, shall have the right to enter and have free access to inspect all books and records of the Lessee with respect to net cashflow.

26.2.6. Tenant Security Deposit Account. The purpose of the account is to maintain tenant's security deposits separate from all other funds. The Lessee shall establish and maintain the Tenant Security Deposit Account throughout the term of this Lease in accordance with applicable federal and Georgia laws.

26.2.7. Lockbox Account. Throughout the term of this Lease, the Project and the Lessee shall be subject to a Lockbox Agreement which must be satisfactory in all material respects to the Government and to which, at its option, the Government may or may not choose to be a party. The Lockbox Agreement must, among other things, require that all income from the Project be deposited into a "Lockbox Account" held by a depository institution acceptable to the Government in an account separate from all other accounts established by the Lessee, and govern the priority of application of Project income for items such as normal and reasonable operating expenses, debt service, reserve accounts, and required impounds under construction financing, the Guaranteed Loan and the Direct Government Loan, and the terms and conditions under which the balance remaining after the payment of such items shall be transferred to the Project's Operating Account.

26.2.8. Disposition of Escrow and Reserve Accounts Upon Conveyance of Leased Premises. Notwithstanding anything in this Lease to the contrary, in the event the Leased Premises is conveyed to the Lessee by the Government in accordance with the purchase and sale agreement (the "Contract of Sale") between the Lessee and the Government and this Lease is terminated in connection with such conveyance, all amounts remaining in any escrow or reserve accounts established under this Lease shall continue to be held in such accounts subject to the terms and conditions of the Declaration of Restrictive Covenants and Use Agreement for Military Housing Project to be entered into by the Lessee and the Government pursuant to the Contract of Sale.

CONDITION 27

RENEWAL OF THE LEASE

27.1 INTENTIONALLY DELETED.

CONDITION 28

GOVERNMENT REPRESENTATIVES AND THEIR SUCCESSORS

28.1. The Commander, Robins AFB, has been duly authorized to enter into and amend the Operating Agreement (Exhibit E) and to administer this Lease.

28.2. Except as otherwise specifically provided, any reference herein to "Commander" shall include the Commander's duly appointed successors and authorized representatives.

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

CONDITION 29

AMENDMENTS

29.1. This Lease may be amended at any time by mutual agreement of the Parties in writing and signed by a duly authorized representative of each of the respective Parties hereto. Amendments to the Lease executed on behalf of the Air Force must be signed at the level of Deputy Assistant Secretary of the Air Force (Installations) or higher.

CONDITION 30

EXHIBITS

30.1. Eight (8) exhibits are attached to and made a part of this Lease, as follows:

Exhibit A - Description of Leased Premises

Exhibit B - Map of Leased Premises

Exhibit C - Physical Condition Report

Exhibit D - Environmental Condition Report

Exhibit E - Operating Agreement

Exhibit F - Title X Lead-Based Paint Disclosure Statement

Exhibit G B Form of Tenant Lease

Exhibit H B Housing Unit Mix by Pay Grade

Exhibit H B Applicable Percentage by Housing Type

CONDITION 31

REPORTING TO CONGRESS

31.1. This Lease is not subject to Title 10, United States Code, Section 2662.

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

IN WITNESS WHEREOF I have hereunto set my hand by authority of the Secretary of the Air Force this ____ day of _____ 199__.

By _____
Jimmy G. Dishner
Deputy Assistant Secretary of
the Air Force (Installations)

THIS LEASE is also executed by the Lessee this ____ day of _____ 199__.

By _____
Title _____

Request for Proposals

Solicitation Number F09650-90-R-0207

West Robins Housing Privatization Project, UHHZ 974012

COMMONWEALTH OF VIRGINIA)
) SS.:
COUNTY OF ARLINGTON)

On the ____ day of ____, 199__, before me, _____, the undersigned Notary Public, personally appeared Jimmy G. Dishner, personally known to me to be the person whose names is subscribed to the foregoing Lease, and personally known to me to be the Deputy Assistant Secretary of the Air Force (Installations), and acknowledged that the same was the act and deed of the Secretary of the Air Force and that he executed the same as the act of the Secretary of the Air Force.

Notary Public, Commonwealth of Virginia
My commission expires:

[ATTACH OR INSERT ACKNOWLEDGMENT FOR LESSEE]

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

EXHIBIT A

Description of Leased Premises

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

EXHIBIT B

Map of Leased Premises

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

EXHIBIT C

Physical Condition Report

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

EXHIBIT D

Environmental Condition Report

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

EXHIBIT E

Operating Agreement

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

**OPERATING AGREEMENT
BETWEEN
THE UNITED STATES AIR FORCE
AND**

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

OPERATING AGREEMENT BETWEEN THE UNITED STATES AIR FORCE AND

TABLE OF CONTENTS

		<u>PAGE</u>
PARAGRAPH 1.	PURPOSE	1
PARAGRAPH 2.	GENERAL	1
PARAGRAPH 3.	LEGAL REQUIREMENTS	2
PARAGRAPH 4.	MANAGEMENT REVIEW COMMITTEE	3
PARAGRAPH 5.	SECURITY	4
PARAGRAPH 6.	OCCUPANCY AND EVICTION	5
PARAGRAPH 7.	DISPUTES	7
PARAGRAPH 8.	NOTICES	7

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

PARAGRAPH 9.

TERMINATION AND MODIFICATION

8

OPERATING AGREEMENT FOR ROBINS AFB

THIS OPERATING AGREEMENT, made and entered into as of this 1st day of _____, 199__, by and between the UNITED STATES AIR FORCE ("USAF") and _____ ("Lessee").

1. **PURPOSE:** This Operating Agreement implements the terms and conditions of Lease No. USAF-_____ ("Lease"), entered into 1 _____, 199__, between the Secretary of the Air Force and Lessee, for the design, construction, operation and maintenance of a 670-unit rental housing development ("Development") on Robins Air Force Base, Georgia.

2. **GENERAL:**

a. The Lessee shall, at all times, operate and manage the Project according to good management practices common to the local rental housing industry and consistent with the requirements of this Operating Agreement and the Lease.

b. The Lessee shall operate and maintain the Project at no expense to the USAF. The Lessee shall collect directly from tenants rents, damage deposits, and other fees which are stated in the Lease, Selected Proposal or otherwise approved by the Government in accordance with Condition 20 and other terms and conditions of the Lease. The Government shall in no case be responsible for or pay or reimburse the Lessee for costs associated with the operation and maintenance of the Project or for any tenant defaults.

c. The Lease incorporates this Operating Agreement by reference. In the event of any inconsistency between the provisions of the Lease and those of this Operating Agreement, the provisions of the Lease will govern.

d. The authorized representative for executing and amending this Operating Agreement on behalf of the USAF is the Commander, _____, Robins Air Force Base, Georgia ("Commander"), or his or her designee. The authorized representative for executing and amending this Operating Agreement on behalf of the Lessee is its _____.

3. **LEGAL REQUIREMENTS:** The Lessee will comply with all applicable Federal, state and local laws, codes, license and permit requirements, including the payment of all applicable taxes and fees and any other requirement whatsoever applicable to a rental housing development (apartments, townhouses, single family homes) operation within the City of Warner Robins, County of Houston, and the State of Georgia. This paragraph is not to be construed to make applicable an otherwise inapplicable law, code, license, or permit requirement. By way of example and not limitation, the Project will, at all times, be in compliance with the laws, regulations, codes and publications enumerated in Condition 12 of the Lease.

4. **MANAGEMENT REVIEW COMMITTEE:**

21 Dec 98

K-1-61

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

a. The USAF and the Lessee will establish a Management Review Committee ("Committee") to discuss and resolve any issues relating to routine facility operations, quality of service, housekeeping, safety, security and other issues and administrative matters pertaining to the operation and maintenance of the Project. The minimum membership of the Committee shall consist of the Commander or his or her designee as the Chairman, the Lessee's senior local manager, the Robins AFB Housing Officer, and two representatives of the Project tenants.

b. The Committee shall meet at least quarter-annually unless waived by all of the members and from time to time at the call of the Chairman or the Lessee throughout the life of the Lease. The agenda for each meeting shall be set by the Chairman at least seven (7) days prior to the meeting, except for unscheduled emergency meetings called on less than ten (10) days' notice. Members will submit agenda items to the Chairman at least fourteen (14) days in advance of any scheduled meeting.

c. Members will serve on the Committee without additional compensation, and any and all expenses incident to travel and resolution of issues will be borne by the respective member's agency.

d. Minutes of each meeting will be prepared by the Chairman and distributed to the Committee members.

5. SECURITY:

a. The Lessee shall provide security for the Project, as a prudent landlord, according to local community standards.

b. The Leased Premises are subject to periodic inspection by security police personnel in conjunction with their official duties. The Lessee will cooperate in these inspections to the extent required to ensure that law enforcement activities are not hindered and that security requirements are met. Security police will provide law enforcement and security assistance at the Leased Premises and will investigate, along with the Office of Special Investigation and cognizant civil authorities, any crimes on the Leased Premises.

c. The Lessee, its officers, agents, employees, independent contractors, and subcontractors must obtain identification passes from base security police before being admitted to the base. Vehicles of the aforementioned personnel must be registered with security police and issued temporary passes before they may be driven on base. Such vehicles are subject to inspection by security police, and drivers must have adequate insurance before passes will be issued.

d. The USAF retains the right to refuse access to the base or to the Leased Premises to the Lessee, its officers, agents, employees, independent contractors, and subcontractors during a national emergency or for other compelling reasons as determined by the Commander in his or her sole discretion.

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

6. OCCUPANCY AND EVICTION:

a. The Lessee shall develop a management plan and tenant rules that provide for the orderly administration and operation of the Project ("Management Plan and Tenant Rules").

(1) The Management Plan and Tenant Rules shall include (by way of example and not limitation) procedures and rules regarding control of family pets, reporting service calls, use of common areas, guests, noise control, fencing requirements or restrictions, and number of persons living in each size unit.

(2) The Georgia Civil Code shall be used as a guide in developing tenant rules.

(3) The initial Management Plan and Tenant Rules shall require prior coordination with the Commander.

(4) The Management Plan and Tenant Rules shall be submitted to the Committee at its request.

b. All Tenant Leases shall provide that the tenant is subject to eviction for violation of the Management Plan and Tenant Rules and prohibit subleasing by the tenant. Tenant Leases for Military Tenants must include a Military Clause allowing termination of occupancy by the Military Tenant due to military orders and a provision for termination of occupancy on thirty (30) days' written notice if the Military Tenant is separated from the military for any reason and may include a clause requiring the Military Tenant to make rent payments by allotment directly to the Lessee.

c. For Referral Tenants, the maximum allowable security deposit (for damage) shall not exceed the monthly rental charge in effect at the time the Tenant Lease is signed. Any fees and other deposits must be disclosed to the USAF. Retention of tenant deposits and notices relating to them must comport with local and state laws regarding such deposits.

d. The Lessee shall notify the Housing Referral Service, Robins AFB, of any contemplated eviction action by the Lessee.

e. The Lessee shall provide an annual accounting the Committee of sources and uses of funds in the maintenance reserve account established pursuant to Condition 11 of the Lease.

7. **DISPUTES:** Disputes under this Operating Agreement shall be governed by the Lease provisions.

8. NOTICES:

a. All notices required under this Operating Agreement from the Lessee to the USAF shall be sent to the USAF addressed:

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

b. All notices required under this Operating Agreement from the USAF to the Lessee shall be sent to the Lessee addressed:

9. TERMINATION AND MODIFICATION:

a. This Operating Agreement shall continue in force and effect until the Lease expires or is sooner terminated. If the Lease is extended or renewed, then this Operating Agreement shall likewise be extended or renewed and continue in force and effect throughout the life of the renewed or extended lease.

b. This Operating Agreement may be amended or modified only by mutual agreement of the USAF and Lessee in writing and signed by each of the parties hereto.

c. Notwithstanding Paragraph 9b above, any amendment or modification to this Operating Agreement which materially affects the Lease shall not be effective unless and until approved by an official of the USAF authorized to execute an amendment to the Lease.

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

Agreed to this _____

DEPARTMENT OF THE AIR FORCE

day of _____, 199__

By _____
Commander,
Robins AFB, Georgia

Agreed to this _____

day of _____, 199__

By _____

Title _____

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

EXHIBIT F

Title X Lead-Based Paint Disclosure Statement

Request for Proposals

Solicitation Number F09650-90-R-0207
West Robins Housing Privatization Project, UHHZ 974012

EXHIBIT G

Form of Tenant Lease

Request for Proposals

Solicitation Number F09650-90-R-0207

West Robins Housing Privatization Project, UHHZ 974012

EXHIBIT H

Housing Unit Mix and Designation by Pay Grade

Request for Proposals

Solicitation Number F09650-90-R-0207

West Robins Housing Privatization Project, UHHZ 974012

EXHIBIT I

Applicable Percentage by Housing Unit Type

Unit Type	Applicable Percentage
2 bedroom, 1 bath townhouse _____	%
3 bedroom, 2 bath townhouse _____	%
ETC.	